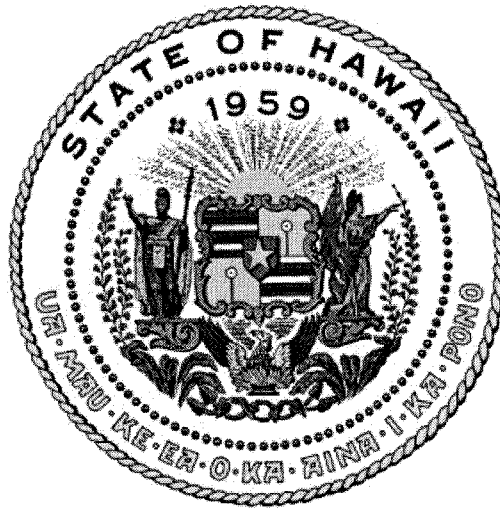


State of Hawaii



The FB 2005 - 07 Executive Biennium Budget

Budget in Brief

Prepared by the Department of Budget and Finance
December, 2004

BUDGET IN BRIEF
The FB 2005 - 07 Executive Biennium Budget

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EXECUTIVE CHAMBERS
State Capitol
Honolulu, Hawaii 96813

GOVERNOR'S MESSAGE TO THE 23RD STATE
LEGISLATURE OF HAWAII MEETING IN THE FIRST
REGULAR SESSION 2005

Pursuant to the provisions of Chapter 37 of the Hawaii Revised Statutes, I have the privilege of presenting for your consideration the Executive Budget for Fiscal Biennium 2005-07 and the updated Program and Financial Plan for the period 2005-11.

The recommendations contained herein are the result of hard work and thoughtful consideration by departments and agencies as they strive to meet the public's needs under stringent policy guidelines and fiscal constraints.

FISCAL POLICY

Last year, I conveyed to you the overall fiscal policy and agenda that I intended to pursue during my Administration. The principles that I spoke of then have not changed; they continue to serve as

guideposts for our budgetary actions. Let me briefly restate the following main objectives:

1. The State must live within its means.
The public resources we use must be supported and sustained by the State's economic base and the revenues it generates. As we will never have enough resources to satisfy all needs and desires, working within revenue constraints requires an ongoing fiscal discipline that will force government to be clear about its priorities.
2. The budget should have structural balance. We need to focus on long-term financial planning to ensure that our recurring expenses are matched with recurring revenues. We may not get to this goal right away but our commitment

to this principle will help realign our revenue and expense parameters as needed.

3. We will adhere to responsible budgeting practices to improve fiscal accountability.

In this regard, we strongly recommend that all funding requirements be identified and placed within the budget so that total demands on resources can be properly evaluated. Specific appropriations should be used sparingly and reserved for circumstances that truly merit such consideration. Emergency appropriations and collective bargaining (CB) authorizations are two such cases.

For the new biennium budget, we are taking significant steps toward eliminating the current practice of paying wages with borrowed money by converting project-funded positions to operating budget positions.

In addition, we should severely limit raiding special funds as a convenient means of balancing the general fund budget.

Finally, I believe that the presentation of budget information should be clear and user friendly. We need to have a budget format that aligns with departmental

responsibilities, is more transparent about performance standards, and is easier to read.

4. We will strive to establish fiscal stability and reduce fiscal stress.

To even out budget fluctuations that can be expected and avoid budget shortfalls that can be disruptive to operations, an adequate reserve must be maintained to provide a degree of stability in the State budget. The creation of the Emergency and Budget Reserve Fund was a good start and I remain firm in continuing to protect this fund. The Hurricane Relief Fund is another source of reserves that I intend to safeguard for future emergencies.

In the past two years, these good principles of fiscal management have served us well.

We have successfully overcome the projected revenue shortfalls in FYs 03,04, and 05 by holding down discretionary spending through restrictions and spending moratoria, by adopting workforce control measures, and by requiring departments to trim expenses in targeted areas. During this Administration, the State has begun to live within its means.

This move toward long-term structural balance between expenses and revenues requires a sustained focus on critical, strategic priorities and control over wages and fringe benefit costs.

With this year's submission, I am pleased to present a new format for the Executive Budget. This new format uses all currently available budget information but presents it in a different way to be more relevant and user friendly. Budget information is provided for each department and the data are aligned with departmental functions. Performance measures are also included for the programs operated by each department. To comply with statutory requirements, budget information as specified by Chapter 37, HRS, is still available in other sections of this document.

THE ECONOMY

Following a strong performance in 2003, Hawaii's economy experienced another good year in 2004. Key economic indicators show that important gains have been made in employment and personal income. We have:

- Record employment levels. After a decade of declining job counts in the 1990's, the number of wage and salary jobs started to rise steadily in recent years.

Currently, it stands at an all-time high of over 580,000 jobs.

- One of the lowest unemployment rates in the nation. At 3.3% in October 2004, Hawaii's unemployment rate is considerably below the 5.5% national average.
- A diversified employment base. Strong job growth has occurred in all areas of the private sector: retail trade, healthcare and social assistance, professional and business services, construction, and accommodations.
- Steady improvements in personal income. Since 2002, Hawaii's growth in personal income has averaged 5% annually, again at a higher level than the national average.

This solid performance was the result of impressive growth in all of our key sectors.

The visitor industry registered one of its best years ever in 2004 with robust increases in both domestic and international arrivals. There were also healthy increases in visitor expenditures and hotel occupancy rates.

The construction industry has enjoyed a tremendous boom in the past several years

and the numbers point to continued growth for residential as well as commercial projects. The real estate market has been exceptionally strong since 2002.

Military expenditures have been substantial and are expected to continue at a high level with the \$2.2 billion approval from Congress for renovation and new construction of military housing over the next 14 years.

In short, Hawaii's economy has fully recovered from the depth of the September 11 aftermath. The strong economic performance in the past two years has been the result of even, steady, and widespread improvements throughout the local economy. This is a good economic foundation to build on. There is general consensus that, barring unforeseen events, moderate economic growth will continue in the next few years. Our optimism remains tempered by a concern over the possibility of inflation and the reality of political instability in the world.

REVENUE PROJECTIONS

At its most recent meeting on September 9, 2004, the Council on Revenues projected that general fund revenues to the State will grow by 8.8% in the current FY 05, and by 5.3% to 5.7% in the upcoming FB 2005-07.

Revenue growth for the four out-years (2008-2011) was forecast to be in the range of 5.2% to 7.4%. These projections show that future revenues are expected to grow at a more moderate pace, compared to the high performances of 8.3% in FY 04 and 8.8% as projected for FY 05.

As of October 2004, the cumulative growth for general fund tax revenues in the first four months of FY 05 was 11.1%. While this is a welcome sign, we view it with caution because there are still eight remaining months to the fiscal year and we know of the inherent fluctuations from month-to-month.

THE STATE'S GENERAL FUND FINANCIAL PLAN

FY 04 began with a carry-over balance of \$117.2 million in the General Fund and ended with a \$184.6 million balance on June 30, 2004. This balance was achieved through a combination of a) strict budgetary measures to control payroll and reduce discretionary spending, b) transfer of excess special fund balances as authorized by the Legislature, and c) a higher than anticipated increase in revenues toward the end of the fiscal year.

For the current FY 05, we continue to monitor expenditures with caution and the control over filling vacant positions remains in effect.

For the upcoming FB 2005-07, the Executive Budget general fund requests amount to \$4,405.9 million in FY 06 and \$4,523.4 million in FY 07. This represents an increase of \$444.0 million (11.2%) and \$561.5 million (14.2%), respectively, over general fund allocations for the current FY 05.

These numbers represent significant increases in the cost of government and they will erode much of the positive balance projected for the General Fund at the end of this fiscal year. The increases are primarily related to CB pay raises that have been authorized and non-discretionary expenses, or the fixed-cost category, such as fringe benefits, debt service, social assistance payments, and court-mandated services. Specific numbers regarding these categories are provided in a subsequent section.

In the days to come, our Administration will submit legislative proposals for your consideration. Among them will be measures that may have a significant financial impact on the State. Taking into account the requests contained in this Executive

Budget and the fiscal impact of legislative proposals to be submitted, the ending balance in the General Fund is projected to be \$80.2 million in FY 06 and \$10.7 million in FY 07. The General Fund financial plan also shows a positive number for each year of the six-year financial plan.

The Multi-Year General Fund Financial Plan is presented on page 17 of this document.

The State's prudent approach in managing its budget has been favorably recognized by all three major credit rating agencies. Presently, Hawaii maintains a AA3 rating by Moody's and AA- by both Standard & Poor's and Fitch. Moody's Investor Service has just recently (in October 2004) upgraded the outlook on the State from "stable" to "positive."

THE PROGRAM AGENDA

In developing the FB 2005-07 Executive Budget to be recommended for your consideration, our objective was to maintain a responsible balance between being fiscally prudent, taking decisive actions to address current community needs, and investing in the State's future.

The recommendations contained in this budget reflect the decisions and priorities I have established for the next fiscal

biennium and the four additional years in the planning period. The critical areas that were set out for highest priority continue to be education, the economy, the environment, healthcare, and public safety. This budget continues to provide steady growth in funding for these key governmental functions. Within this overall framework, I would like to highlight the following initiatives.

Education

Last year, the Legislature passed Act 51 that provided additional funding for our schools. For the new biennium budget, \$9.5 million has been included in each year to continue this funding.

Additional funds are also recommended for staffing and operating costs of new facilities, for increases in fringe benefit and debt service requirements, and for certain anticipated shortfalls in current programs.

To continue the special focus on bringing school facilities to acceptable standards, a substantial increase of \$8.6 million each year in general funds has been added to the current \$6.5 million for special repairs and maintenance, and a lump-sum \$100 million each year in bond funds is recommended for capital improvement program

(CIP) projects to be determined by the Department of Education (DOE).

Charter schools are a critical component of the State public education program and provide an important alternative for Hawaii families and communities. The new biennium budget includes \$31 million in general funds for each year for an estimated enrollment of 5,369 students.

Early Childhood Education

Experiences in a child's early years lay the foundation for school success and lifelong learning. This budget recognizes the critical importance that early education can play in the development and success of children. In particular it recognizes the importance of ensuring that children are ready to learn when they enter the formal school system. To continue the State's commitment to providing quality child care choices for parents, this biennium budget continues substantial funding each year for a consortium of related programs such as Preschool Open Doors, Family Child Care, Hawaii Pre-Plus, Special Education Preschools, and the junior kindergarten program. This funding level will permit over 15,000 children ages 3 and 4 to obtain quality childcare services to prepare them for their formal schooling.

Higher Education

The University of Hawaii (UH) and the ten-campus community college system provides opportunities for over 35,000 individuals to pursue associate, bachelor and advanced degrees. It is critical that the State recognize this institution as a key component of our economic well-being and a major part of the social fabric that makes Hawaii a desirable place to live and work. This biennium budget reflects a major new commitment to the State's university system and includes \$20 million in new scholarship funds to ensure that our record of access for all who want a higher education remains in place. A total of \$25 million is also recommended for support of other priorities of the University. Furthermore, the biennium budget recognizes the need to invest in the infrastructure of the University, providing a commitment of \$100 million to rebuild and replace deteriorated buildings and create campuses that can accommodate students in safe, clean, and well maintained structures.

Economic Development

The new biennium budget includes:

- \$500,000 each year for business development programs to market Hawaii products and services.

- Substantial additional funds (\$8.2 million and \$9.7 million in FY 06 and FY 07, respectively) for the Hawaii Tourism Authority to expand tourism promotion programs.
- \$1.5 million each year as State matching funds to support UH in securing a second Experimental Program to Stimulate Competitive Research grant from the National Science Foundation. This grant targets collaborative partnerships between the University and the local business community to facilitate technology transfer and commercialization.
- Planning and design money to support efforts to revitalize the Kakaako development district and the Aloha Tower/water front area.

The Environment

To continue the progress made in protecting and preserving Hawaii's environment, I am including a recommendation of \$4 million each year (\$1 million of additional funds) to strengthen our commitment to the control of invasive species. Legislation approved last year established the Hawaii Invasive Species Council to develop and implement a partnership of federal, State, county, and

private entities for a comprehensive statewide prevention and control program. The plan concentrates on four major areas: prevention, response and control, research and applied technology, and public outreach. The additional money in the new biennium will allow these important efforts to go forward.

While funding of the invasive species control program is under the Department of Land and Natural Resources, collaborative activities are also maintained with the Department of Agriculture (DOA). Additional positions and funds are recommended for the DOA to step up its efforts in identifying and controlling the brown tree snake, the coqui frog, and other alien species. Toward this goal, we will ensure that 100% of flights from Guam will be inspected. Funds will also be transferred to the Department of Health to improve surveillance and rapid response capabilities to address the threat of West Nile Virus importation.

Our goal to improve the natural and recreational environment will be supported by a commitment of \$10 million in bond funds each year for State parks and equal amounts for the small boat harbors.

The biennium CIP program also includes \$2.1 million to maintain and improve

irrigation systems on Molokai and Hawaii (Waimea area) to protect water sources for farmers.

Healthcare

To meet continuing needs in the area of adult mental health, additional funds and positions are requested for community health centers and purchases of mental health services. Additional general funds are also included in both years for the developmental disabilities program, for primary care services for the uninsured, and for comprehensive medical services at Molokai General Hospital, Kahuku Hospital, and Hana Community Health Center.

\$4.8 million and \$6.8 million in bond funds are recommended for CIP projects at the State Hospital and at Hawaii Health Systems Corporation facilities, respectively.

Public Safety

The State's correctional system continues to face three major problems: inmate overcrowding, aging facilities, and a high demand for treatment services. Funding is requested in the new biennium budget to plan for a new community correctional facility in West Hawaii. As an alternative to wholly owned State facilities, other approaches may also be explored, such as a

public/private partnership for the construction, financing, and operation of this center.

To alleviate overcrowding, additional funds are included to send an additional 526 inmates in FY 06 and 701 inmates in FY 07 to out-of-state facilities (\$10.2 million and \$16.7 million, respectively), and to house an additional 140 in the Federal Detention Center in Honolulu (\$4.4 million and \$4.6 million, respectively). By FY 07, there will be over 2,500 contracted beds to accommodate the expanding inmate population. We will also ask for flexibility to allow these funds to be used to provide treatment services for inmates who can benefit from such programs.

Closely related to the problems of inmates and prisons is the explosion of illegal drug use, most notably the ice epidemic. The Administration Drug Summit, led by Lieutenant Governor Duke Aiona, pointed to the need for an integrated approach to combating this problem, one that recognizes that individuals, families, and communities must be equal partners with State and county governments in this endeavor. The Legislature also recognized the ice crisis in Act 40, SLH 2004, and appropriated additional funding to combat this problem. My recommendation for the new biennium is

to sustain the current funding level of \$19.8 million as authorized under Act 41, SLH 2004. We need to have a clear assessment of the results of these funds before committing to a higher level of expenses. Therefore, I have not included in my recommendation for the new biennium all of the additional funds appropriated under Act 40, SLH 2004. I do, however, recommend adding \$2 million each year for community-based substance abuse prevention programs and over \$1 million each year for adolescent residential treatment and school-based counseling/treatment programs.

The Drug Nuisance Abatement Unit in the Department of the Attorney General has proven to be effective in targeting drug dealers and their activities in residential neighborhoods. Additional funding and positions for this program have been included in the new biennium budget to further these efforts.

Besides the high priority programs discussed above, other important issues have also demanded special attention in the new biennium budget.

Affordable Housing

Affordable housing presents a real challenge as the price of residential real estate continues to break previous records.

The Rental Housing Trust Fund is a critical component in the ongoing efforts of the Housing and Community Development Corporation of Hawaii (HCDCH) to meet the affordable rental housing needs of the people of Hawaii. I am recommending an infusion of \$2 million each year to enable the program to produce additional rental units. Together with other available financing sources, including legislative proposals to be submitted, up to 450 new rental units will be produced annually. \$10 million each year in bond funds is also provided to the HCDCH for renovation of public housing.

On another front, faster development of affordable housing is being pursued by the Department of Hawaiian Home Lands (DHHL) for its beneficiaries. A total of 1,848 acres of State lands have been or will be conveyed to DHHL for this purpose. In the new biennium budget, \$10 million each year in bond funds has been set aside to supplement existing DHHL resources to produce approximately 700 additional units annually for Native Hawaiians.

Homeless Programs

Significant increases in funding are proposed for programs serving the homeless population. Additional funds will allow the stipend program to increase capacity at

shelters and cover an additional 1,260 persons. Expansion in outreach services will help 5,200 more people. And the grant program, which assists with basic living expenses, will be expanded statewide to help an additional 300 families in need.

Transportation

The biennium budget proposes a number of capital improvement projects to address critical transportation needs on all islands. These include:

- Saddle Road, Hawaii - Funds are requested to begin construction of major improvements to provide a safe and efficient route between East and West Hawaii. When fully improved, this corridor will become the major transportation link connecting the two sides of the Big Island.
- North-South Road, Oahu - Construction of a new multi-lane arterial from Kapolei Parkway to H-1 is needed to accommodate future growth and development in the "Second City" area of Ewa and Kapolei. As a major north-south corridor for this area, this highway will also provide access to the proposed UH West Oahu campus.

- Honoapiilani Highway, Maui - Continuation of widening improvements, from two to four lanes from Lahainaluna Road to Aholo Road, will relieve traffic congestion through Lahaina town.
- Kaumualii Highway, Kauai - Continued widening will provide two additional lanes for through traffic between Lihue and west of Maluhia Road, improving commuting time and safety.
- Hilo Harbor, Hawaii - Construction of improvements to the barge terminal will result in a high capacity pier, yard, and shed to accommodate modern barges and cargo handling equipment.
- The Super Ferry - Design and construction for statewide ferry terminal improvements are proposed to develop the Super Ferry system, providing inter-island passenger, vehicle and cargo transportation alternatives for Hawaii residents and visitors.

THE EXECUTIVE BUDGET RECOMMENDATIONS

THE OPERATING BUDGET

All Funds

Total OPERATING BUDGET requests from all funding sources amount to \$8,852.6 million in FY 06 and \$9,057.7 million in FY 07. This represents an increase of \$848 million (10.6%) and \$1,053 million (13.2%), respectively, over current FY 05 allocation levels.

<u>Means of Financing</u>	<u>FY 05 Allocation</u>	<u>FY 06 Request</u> (\$million)	<u>FY 07 Request</u>
General Fund	3,961.9	4,405.9	4,523.4
Special Funds	1,610.2	1,679.3	1,688.3
Federal Funds	1,421.6	1,483.3	1,515.4
Pvt. Contributions	0.1	0.1	0.1
County Funds	0.2	0.2	0.2
Trust Funds	40.1	38.6	42.4
Interdept. Transfer	636.4	871.2	929.4
Revolving Funds	315.3	365.3	349.7
Other Funds	<u>18.9</u>	<u>8.8</u>	<u>8.8</u>
Total:	8,004.7	8,852.6	9,057.7

The distribution by department is presented on page 20.

General Fund

For the new fiscal biennium, total OPERATING BUDGET requests from the General Fund amount to \$4,405.9 million in FY 06 and \$4,523.4 million in FY 07. This represents an increase of \$444 million (11.2%) and \$561 million (14.2%), respectively, over current FY 05 allocation levels. The distribution by department is presented on page 22.

While our goal is to hold down the cost of government, most of the increases are directly related to non-discretionary expenses. These include:

	<u>FY 06</u>	<u>FY 07</u>
	(\$ million)	
Increases from FY 05:		
Debt service	164.6	228.6
Annualized CB pay increases	61.7	73.2
Fringe benefits	74.3	107.8
Social assistance entitlements	30.8	44.8
Federal/court mandates	<u>13.9</u>	<u>15.4</u>
Sub-Total, Non-discretionary Increases	345.3	469.8
Percentage of Total Increases	78%	84%

At \$513 million in FY 06 and \$577 million in FY 07, debt service cost shows a significant increase (47% and 66%, respectively) over the \$348 million in FY 05. This is primarily due to refunding and restructuring activities in prior years (since FY 02) to take advantage of low

interest rates, resulting in debt relief in FYs 04 and 05. However, debt service will rise in FY 06 and beyond.

Pay raises from collective bargaining were authorized for half of FY 05 for most units. Increases in the new biennium budget reflect the full year costs.

Fringe benefit costs include the employer contribution for pension accumulation, for Social Security and Medicare, and for health insurance premiums. The rising costs are due to a higher salary base and projected enrollment growth.

Payments for welfare entitlement programs continue their steady climb, from about \$520 million in FY 05 to \$550 million and \$564 million in the new biennium. The increases occur primarily in the Medicaid, foster care, and State supplement of the Supplemental Security Income programs. We will need to take actions to limit the growth of these programs in the years ahead.

Finally, the State must still comply with court-ordered requirements relating to the Hawaii State Hospital, the Adult Mental Health program, the Makin lawsuit over developmental disability services, and the Felix consent decree.

Increase in Position Count

The biennium budget requests include a significant change in the number of positions, as compared to current FY 05 allocation levels.

	<u>FY 06</u> <u>Request</u>		<u>FY 07</u> <u>Request</u>	
	<u>Temporary</u>	<u>Permanent</u>	<u>Temporary</u>	<u>Permanent</u>
Total Add'l Positions	68.42	524.25	71.42	577.75
By means of financing:				
General Fund	-0.33	-109.05	-2.58	-61.55
Special Funds	12.50	433.00	15.60	433.00
Federal Funds	24.63	125.30	26.90	125.30
Trust Funds	3.00	3.00	3.00	3.00
Revolving Funds	9.63	59.00	9.50	65.00
Interdept. Transfer	20.00	12.00	20.00	12.00
Other Funds	-1.00	1.00	-1.00	1.00

Several factors contribute to these numbers.

- The largest change occurs in the special fund category and results from the conversion of project-funded positions to operating budget positions, mainly in the Department of Transportation (408 positions).
- The additional numbers also reflect the incorporation into the biennium budget of positions restored by Act 154, SLH 2004, and those authorized in various specific appropriation measures.

- Other additions represent requests for court mandated or high priority programs.
- The net reduction under the general fund category reflects a decrease of 251 DOE positions due to declining enrollment (-88 positions in regular education and -163 in special education).

THE CAPITAL IMPROVEMENT BUDGET

Total CIP BUDGET requests from all funding sources amount to \$804 million in FY 06 and \$719 million in FY 07.

	<u>FY 06</u> <u>Request</u>	<u>FY 07</u> <u>Request</u>
Means of Financing	(\$million)	
Special Funds	87.7	85.2
G.O. Bonds	333.0	264.0
G.O. Bonds Reimbursable	10.0	10.0
Revenue Bonds	49.7	106.0
Federal Funds	228.9	234.1
Private Funds	14.0
Revolving Funds	32.0	20.0
Other Funds	47.8
County Funds	<u>0.4</u>	<u>.....</u>
Total:	803.5	719.4

The distribution by department is presented on page 26.

The CIP requests represent the necessary improvements the State will need to make to its capital assets and infrastructure to support its economic base as well as maintain the health, safety, and quality of life in Hawaii.

Highlights of the FB 2005-07 CIP program by department are presented in the sections that follow.

THE GENERAL FUND EXPENDITURE CEILING

By law, general fund appropriations must comply with the expenditure ceiling requirements that are set forth in Section 9, Article VII of the Hawaii State Constitution and Section 37-92 of the Hawaii Revised Statutes.

At the aggregate level, including all branches of government, total proposed appropriations from the General Fund are within the expenditure ceilings for both FY 06 and FY 07.

For the Executive Branch, total proposed appropriations from the General Fund (which include the Executive Budget for FB 2005-07 and other specific appropriation measures to be submitted) are within the appropriation ceiling for FY 07 but will exceed the appropriation ceiling in FY 06 by \$108 million (or 2.5%). The reasons for

this excess are due to the substantial requirements in pay raises and non-discretionary costs such as fringe benefits, debt service, social assistance payments, and mandated programs.

THE DEBT LIMIT

Section 13, Article VII of the Hawaii State Constitution places a debt limit on G.O. bonds that may be issued by the State. It has been determined that the total amount of principal and interest calculated on a) all bonds issued and outstanding, b) all bonds authorized and unissued, and c) all bonds proposed in the Executive Budget, including State guaranties, will not cause the debt limit to be exceeded at the time of each bond issuance.

In summary, I respectfully ask for your favorable consideration of the recommendations presented herein and look forward to working with you in the upcoming session to bring forth a Biennium Budget that is fiscally prudent and responsive to the substantial needs of our community.

Sincerely,



LINDA LINGLE
Governor of Hawaii

The background of the slide features a light gray, textured pattern of stylized, overlapping leaves or petals. These shapes are rendered in a darker gray tone, creating a subtle, organic backdrop for the text.

The Operating and Capital Investment Budget Statewide Summaries

MULTI-YEAR FINANCIAL SUMMARY
GENERAL FUND
FISCAL YEARS 04 - 11
(in millions of dollars)

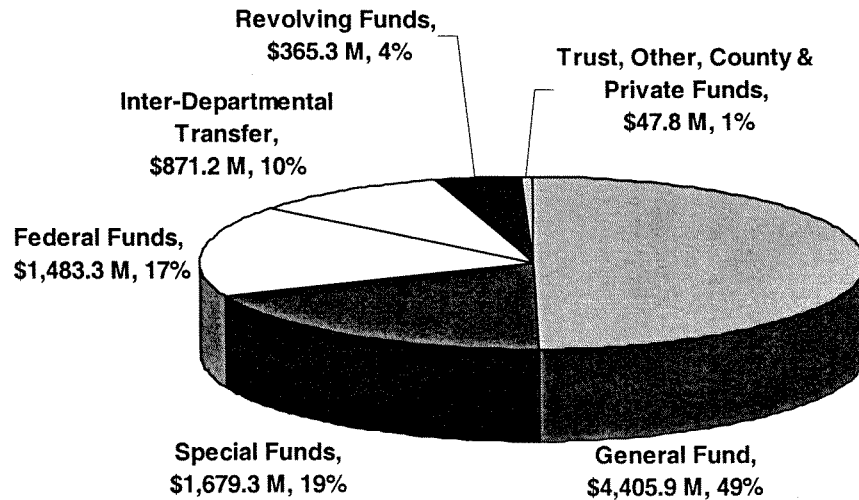
	<u>Actual FY 04</u>	<u>Estimated FY 05</u>	<u>Estimated FY 06</u>	<u>Estimated FY 07</u>	<u>Estimated FY 08</u>	<u>Estimated FY 09</u>	<u>Estimated FY 10</u>	<u>Estimated FY 11</u>
REVENUES:								
Executive Branch:								
Tax Revenues	3,441.6	3,750.0	3,950.3	4,174.9	4,484.1	4,718.7	5,002	5,278
Nontax Revenues	435.9	435.9	376.0	392.3	403.0	407.0	405	411
Judicial Branch Revenues	30.2	29.1	29.7	30.3	30.9	31.5	32	32
Other		(8.4)	(10.3)	(42.5)	(52.4)	(51.3)	(50.2)	(52.1)
TOTAL REVENUES	3,907.7	4,206.6	4,345.7	4,555.0	4,865.6	5,105.9	5,389.4	5,669.1
EXPENDITURES:								
Executive Branch:								
Operating	3,691.7	3,884.8	4,405.9	4,523.4	4,598.5	4,704.5	4,707.2	4,784.3
Specific Appropriations	48.5	181.4	6.7	6.7	6.7	6.7	6.7	6.7
Sub-total	3,740.2	4,066.2	4,412.6	4,530.1	4,605.2	4,711.2	4,713.9	4,791.0
Legislative Branch	23.2	23.3	23.3	23.3	23.3	23.3	23.3	23.3
Judicial Branch	111.0	112.7	123.6	123.6	124.5	125.4	126.3	127.2
OHA	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Lapses	(36.6)	(55.0)	(55.0)	(55.0)	(55.0)	(55.0)	(55.0)	(55.0)
TOTAL EXPENDITURES	3,840.3	4,149.7	4,507.0	4,624.5	4,700.5	4,807.4	4,811.0	4,889.0
REVENUES OVER EXPEND.	67.4	56.9	(161.3)	(69.5)	165.1	298.5	578.4	780.1
CARRY-OVER BALANCE (DEFICIT)								
Beginning	117.2	184.6	241.5	80.2	10.7	175.8	474.3	1,052.7
Ending	184.6	241.5	80.2	10.7	175.8	474.3	1,052.7	1,832.8
Emergency & Budget Reserve Fund	54.0	54.1	63.7	73.3	87.7	102.2	116.6	131.1

**FB 05-07 Operating Budget
Statewide Totals By Means of Financing**

	<u>FY 05</u> <u>Allocation</u>	<u>% of</u> <u>Total</u>	<u>Recommended</u> <u>FY 06</u> <u>Appropriations</u>	<u>% of</u> <u>Total</u>	<u>Recommended</u> <u>FY 07</u> <u>Appropriations</u>	<u>% of</u> <u>Total</u>
General Funds	33,358.84 3,961,852,782	49.5%	34,323.79 4,405,867,338	49.8%	34,371.29 4,523,381,435	49.9%
Special Funds	3,798.70 1,610,208,352	20.1%	7,231.70 1,679,263,800	19.0%	7,231.70 1,688,294,181	18.6%
Other Federal Funds	2,080.91 1,421,620,502	17.8%	2,206.21 1,483,323,342	16.8%	2,206.21 1,515,428,296	16.7%
Private Contributions	122,500	0.0%	122,500	0.0%	122,500	0.0%
County Funds	200,000	0.0%	200,000	0.0%	200,000	0.0%
Trust Funds	48.94 40,054,532	0.5%	51.94 38,614,606	0.4%	51.94 42,380,535	0.5%
Interdepartmental Transfer	173.35 636,377,882	8.0%	162.35 871,160,114	9.8%	162.35 929,444,871	10.3%
Revolving Funds	529.15 315,341,016	3.9%	588.15 365,252,903	4.1%	594.15 349,657,330	3.9%
Other Funds	73.00 18,890,377	0.2%	75.00 8,820,942	0.1%	75.00 8,820,942	0.1%
TOTAL REQUIREMENTS	40,062.89 8,004,667,943	100.0%	44,639.14 8,852,625,545	100.0%	44,692.64 9,057,730,090	100.0%

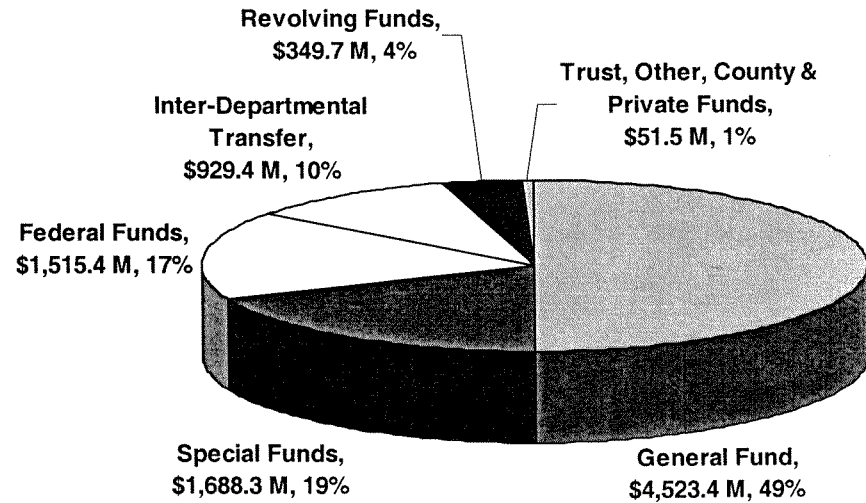
FB 05-07 Operating Budget Statewide Totals by Means of Financing

FY 2006



Total \$8.85 B

FY 2007



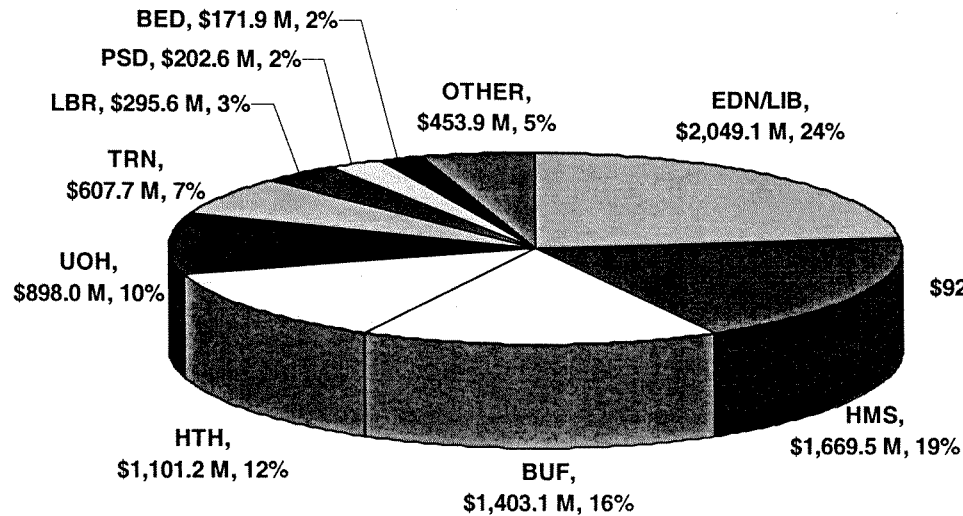
Total \$9.06B

FB 05-07 Operating Budget
Statewide Totals By Department - All Funds

	FY 05 Allocation	% of Total	Recommended FY 06 Appropriations	% of Total	Recommended FY 07 Appropriations	% of Total
Accounting and General Services	947.50		953.50		953.50	
	117,815,583	1.5%	144,080,664	1.6%	134,453,146	1.5%
	295.50		299.50		299.50	
Agriculture	29,584,089	0.4%	31,191,205	0.4%	31,205,796	0.3%
	507.00		560.00		560.00	
Attorney General	67,480,749	0.8%	70,549,885	0.8%	70,485,915	0.8%
	282.00		290.00		290.00	
Budget and Finance	1,165,183,517	14.6%	1,403,103,955	15.8%	1,501,034,722	16.6%
	149.00		149.00		149.00	
Business, Economic Dev & Tourism	173,587,090	2.2%	171,897,786	1.9%	172,809,133	1.9%
	360.00		344.00		344.00	
Commerce and Consumer Affairs	42,525,874	0.5%	41,846,784	0.5%	41,648,447	0.5%
	191.50		194.50		194.50	
Defense	19,627,714	0.2%	32,087,019	0.4%	31,582,069	0.3%
	19,615.10		19,486.10		19,526.60	
Education	1,785,234,561	22.3%	2,018,463,286	22.8%	2,086,097,795	23.0%
	553.55		553.55		553.55	
Public Libraries	30,935,640	0.4%	30,611,005	0.3%	30,611,005	0.3%
	37.00		37.00		37.00	
Governor	3,313,216	0.0%	3,499,671	0.0%	3,499,671	0.0%
	118.00		118.00		118.00	
Hawaiian Home Lands	8,766,721	0.1%	9,129,838	0.1%	9,129,838	0.1%
	5,901.75		5,921.05		5,923.05	
Health	1,021,955,558	12.8%	1,101,214,368	12.4%	1,099,264,862	12.1%
	113.00		113.00		113.00	
Human Resources Development	21,420,234	0.3%	21,619,156	0.2%	21,619,156	0.2%
	2,283.00		2,348.00		2,348.00	
Human Services	1,571,965,529	19.6%	1,669,490,332	18.9%	1,697,279,485	18.7%
	671.79		696.24		696.24	
Labor and Industrial Relations	294,053,341	3.7%	295,628,347	3.3%	295,628,347	3.3%
	664.00		685.00		685.00	
Land and Natural Resources	72,598,476	0.9%	76,867,167	0.9%	76,561,052	0.8%
	9.00		9.00		9.00	
Lieutenant Governor	995,325	0.0%	1,097,806	0.0%	1,097,806	0.0%
	2,536.20		2,558.20		2,558.20	
Public Safety	184,311,438	2.3%	202,635,009	2.3%	209,403,916	2.3%
Subsidies	0		0		0	
	332.00		361.50		367.50	
Taxation	20,131,175	0.3%	21,942,353	0.2%	21,459,721	0.2%
	2,130.00		2,545.00		2,545.00	
Transportation	595,270,672	7.4%	607,671,535	6.9%	602,524,885	6.7%
	6,366.00		6,417.00		6,422.00	
University of Hawaii	777,911,441	9.7%	897,998,371	10.1%	920,333,323	10.2%
	44,062.89		44,639.14		44,692.64	
TOTAL REQUIREMENTS	8,004,667,943	100.0%	8,852,625,542	100.0%	9,057,730,090	100.0%

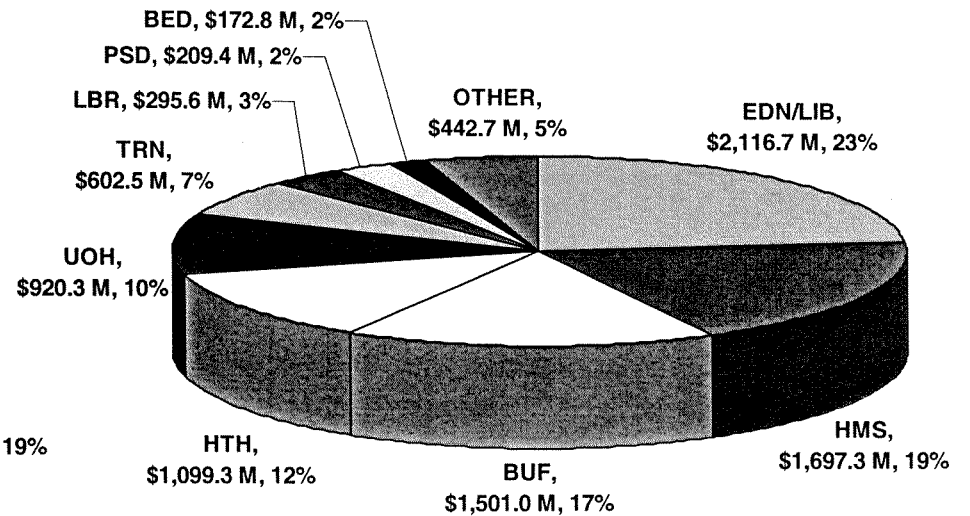
FB 05-07 Operating Budget Statewide Totals by Department - All Funds

FY 2006



Total \$8.85 B

FY 2007



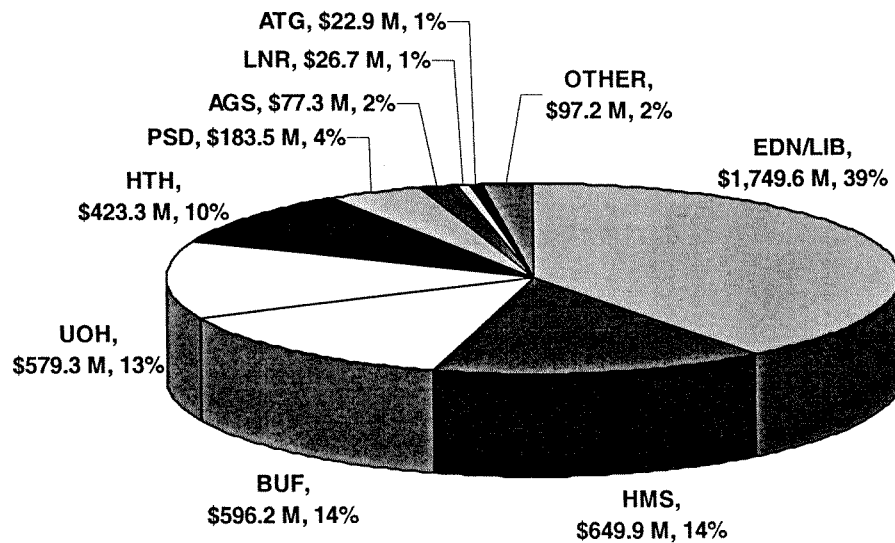
Total \$9.06 B

**FB 05-07 Operating Budget
Statewide Totals By Department - General Fund**

	<u>FY 05 Allocation</u>	<u>% of Total</u>	<u>Recommended FY 06 Appropriations</u>	<u>% of Total</u>	<u>Recommended FY 07 Appropriations</u>	<u>% of Total</u>
Accounting and General Services	813.00		819.00		819.00	
	71,385,542	1.8%	77,278,313	1.8%	78,802,107	1.7%
Agriculture	224.50		226.50		226.50	
	12,183,777	0.3%	13,113,259	0.3%	13,113,259	0.3%
Attorney General	281.17		306.37		306.37	
	21,282,238	0.5%	22,911,700	0.5%	22,870,700	0.5%
Budget and Finance	143.00		144.00		144.00	
	575,458,746	14.5%	596,232,212	13.5%	637,915,907	14.1%
Business, Economic Dev & Tourism	116.50		116.50		115.50	
	10,684,771	0.3%	13,747,799	0.3%	13,109,643	0.3%
Commerce and Consumer Affairs	0.00		0.00		0.00	
	0	0.0%	0	0.0%	0	0.0%
Defense	144.30		146.80		146.80	
	9,549,486	0.2%	10,409,894	0.2%	10,227,444	0.2%
Education	18,881.60		18,712.60		18,753.10	
	1,499,748,065	37.9%	1,723,490,274	39.1%	1,766,292,748	39.0%
Public Libraries	553.55		553.55		553.55	
	26,445,396	0.7%	26,120,761	0.6%	26,120,761	0.6%
Governor	37.00		37.00		37.00	
	3,313,216	0.1%	3,499,671	0.1%	3,499,671	0.1%
Hawaiian Home Lands	18.00		18.00		18.00	
	792,571	0.0%	817,559	0.0%	817,559	0.0%
Health	2,600.35		2,608.35		2,610.35	
	391,670,941	9.9%	423,281,537	9.6%	424,165,531	9.4%
Human Resources Development	113.00		113.00		113.00	
	15,833,953	0.4%	16,032,875	0.4%	16,032,875	0.4%
Human Services	1,218.09		1,245.34		1,245.34	
	613,215,707	15.5%	649,912,615	14.8%	663,974,310	14.7%
Labor and Industrial Relations	257.14		258.64		258.64	
	15,549,662	0.4%	16,755,725	0.4%	16,755,725	0.4%
Land and Natural Resources	417.10		426.10		426.10	
	24,273,010	0.6%	26,666,467	0.6%	26,666,467	0.6%
Lieutenant Governor	9.00		9.00		9.00	
	995,325	0.0%	1,097,806	0.0%	1,097,806	0.0%
Public Safety	2,437.20		2,457.20		2,457.20	
	165,545,676	4.2%	183,502,003	4.2%	190,340,910	4.2%
Subsidies	0		0		0	
	0	0.0%	0	0.0%	0	0.0%
Taxation	332.00		361.50		367.50	
	18,636,923	0.5%	21,690,353	0.5%	21,207,721	0.5%
Transportation	0.00		0.00		0.00	
	0	0.0%	0	0.0%	0	0.0%
University of Hawaii	5,762.34		5,764.34		5,764.34	
	485,287,777	12.2%	579,306,515	13.1%	590,370,291	13.1%
	34,358.84		34,323.79		34,371.29	
TOTAL REQUIREMENTS	3,961,852,782	100.0%	4,405,867,338	100.0%	4,523,381,435	100.0%

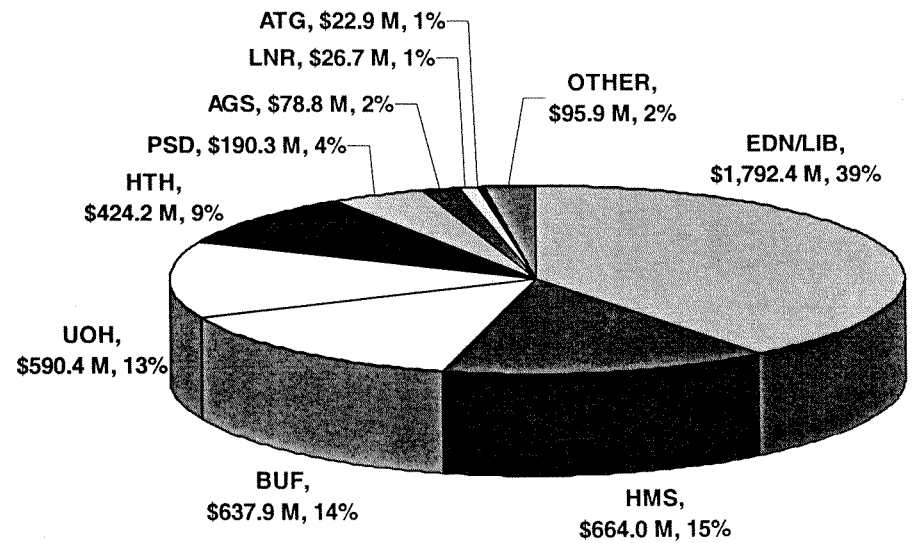
FB 05-07 Operating Budget Statewide Totals by Department - General Fund

FY 2006



Total \$4.41 B

FY 2007



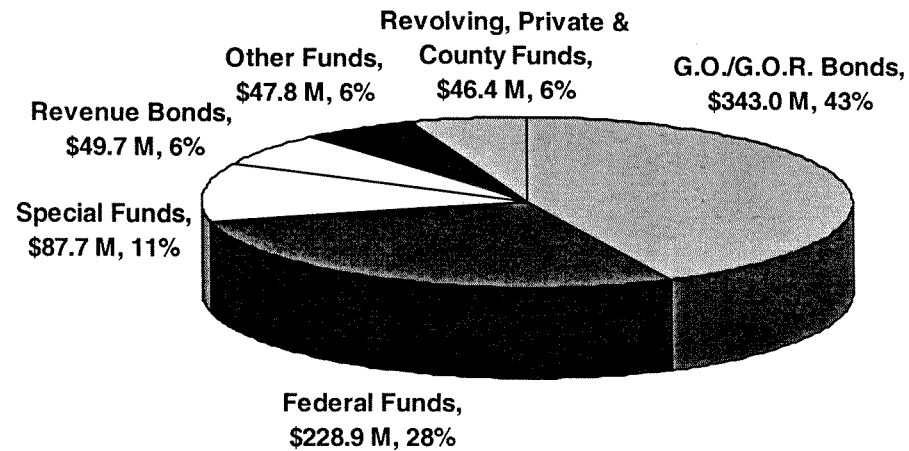
Total \$4.52 B

FB 05-07 CIP Budget
Statewide Totals By Means of Financing

	Recommended		Recommended	
	FY 06	% of	FY 07	% of
	<u>Appropriations</u>	<u>Total</u>	<u>Appropriations</u>	<u>Total</u>
General Funds	0	0.0%	0	0.0%
Special Funds	87,716,000	10.9%	94,245,000	13.1%
General Obligation Bonds	333,026,000	41.4%	264,044,000	36.7%
General Obligation Reimbursable				
Bonds	10,000,000	1.2%	10,000,000	1.4%
Revenue Bonds	49,676,000	6.2%	97,031,000	13.5%
Other Federal Funds	228,882,000	28.5%	234,081,000	32.5%
Private Contributions	14,003,000	1.7%	0	0.0%
Revolving Funds	32,000,000	4.0%	20,000,000	2.8%
Other Funds	47,826,000	6.0%	0	0.0%
County Funds	350,000	0.0%	0	0.0%
TOTAL REQUIREMENTS	803,479,000	100.0%	719,401,000	100.0%

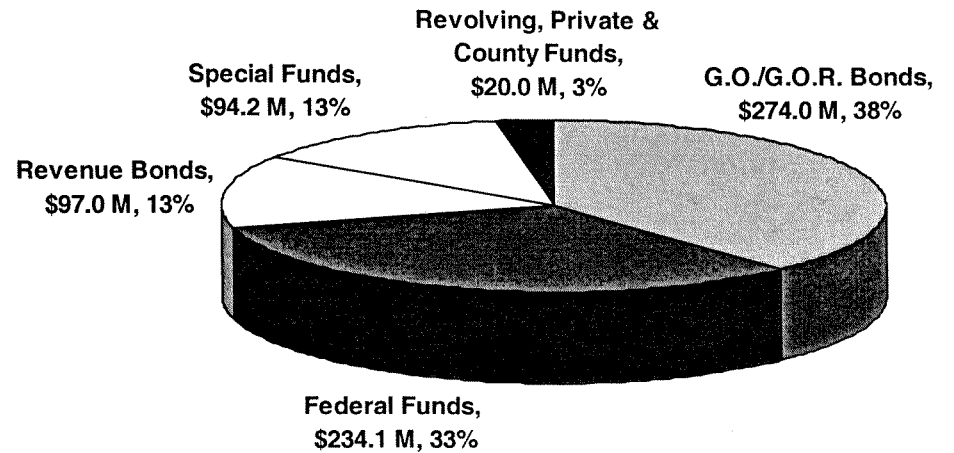
FB 05-07 CIP Budget Statewide Totals by Means of Financing

FY 2006



Total \$803.5 M

FY 2007



Total \$719.4 M

FB 05-07 CIP Budget
Statewide Totals By Department - All Funds

	Recommended FY 06 <u>Appropriations</u>	% of <u>Total</u>	Recommended FY 07 <u>Appropriations</u>	% of <u>Total</u>
Accounting and General Services	32,025,000	4.0%	15,825,000	2.2%
Agriculture	1,100,000	0.1%	2,000,000	0.3%
Attorney General	0	0.0%	0	0.0%
* Budget and Finance	45,000,000	5.6%	45,000,000	6.3%
Business, Economic Dev & Tourism	4,479,000	0.6%	6,693,000	0.9%
Commerce and Consumer Affairs	0	0.0%	0	0.0%
Defense	1,992,000	0.2%	2,384,000	0.3%
Education	100,000,000	12.4%	100,000,000	13.9%
Public Libraries	5,869,000	0.7%	9,781,000	1.4%
Governor	1,000	0.0%	1,000	0.0%
** Hawaiian Home Lands	40,000,000	5.0%	40,000,000	5.6%
Health	51,069,000	6.4%	28,556,000	4.0%
Human Resources Development	0	0.0%	0	0.0%
Human Services	13,500,000	1.7%	12,000,000	1.7%
Labor and Industrial Relations	0	0.0%	0	0.0%
Land and Natural Resources	44,499,000	5.5%	22,046,000	3.1%
Lieutenant Governor	0	0.0%	0	0.0%
Public Safety	8,382,000	1.0%	3,500,000	0.5%
Taxation	0	0.0%	0	0.0%
Transportation	356,557,000	44.4%	361,615,000	50.3%
University of Hawaii	99,006,000	12.3%	70,000,000	9.7%
TOTAL REQUIREMENTS	803,479,000	100.0%	719,401,000	100.0%

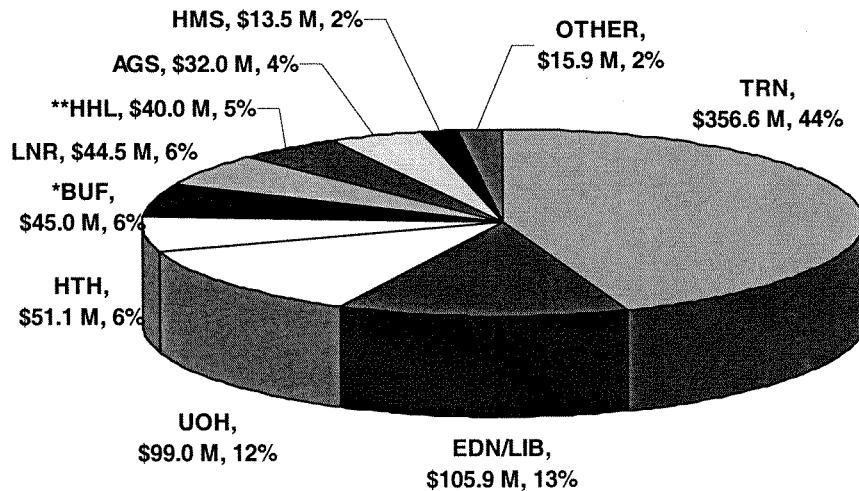
* \$45,000,000 is officially appropriated in the Department of Budget and Finance, but will be transferred to the State Educational Facilities Improvement Special Fund and spent by the Department of Education, pursuant to Sections 36-32 and 237-31, HRS.

** The appropriation of \$40,000,000 includes a transfer of \$30,000,000 in general obligation bond funds officially appropriated in the Department of Budget and Finance, pursuant to Act 14, Section 6, SpSLH 1995.

FB 05-07 CIP Budget

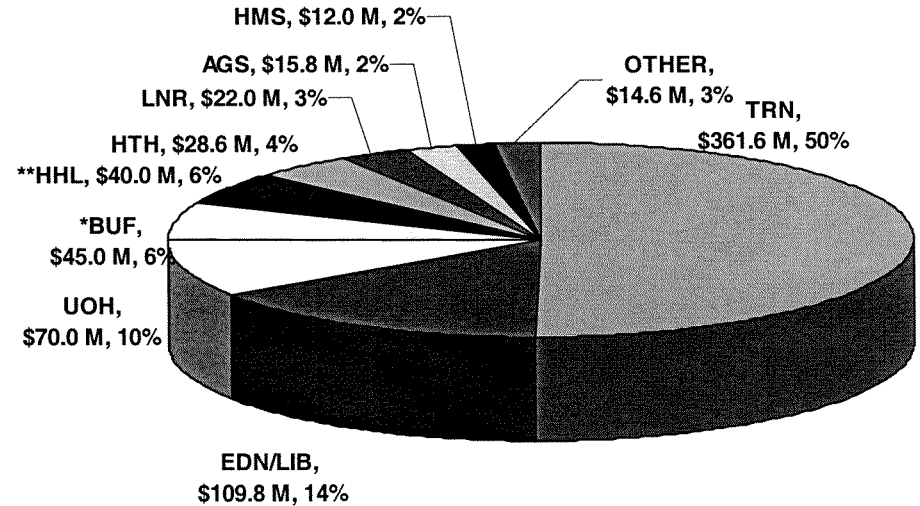
Statewide Totals by Department - All Funds

FY 2006



Total \$803.5 M

FY 2007



Total \$719.4 M

*45,000,000 is officially appropriated in the Department of Budget and Finance, but will be transferred to the State Educational Facilities Improvement Special Fund and spent by the Department of Education, pursuant to Sections 36-32 and 237-31, HRS.

**The appropriation of \$40,000,000 includes a transfer of \$30,000,000 in general obligation bond funds officially appropriated in the Department of Budget and Finance, pursuant to Act 14, Section 6, SpSLH 1995.

FB 05-07 CIP Budget
Statewide Totals By Department - General Obligation (GO) and GO Reimbursable Bonds

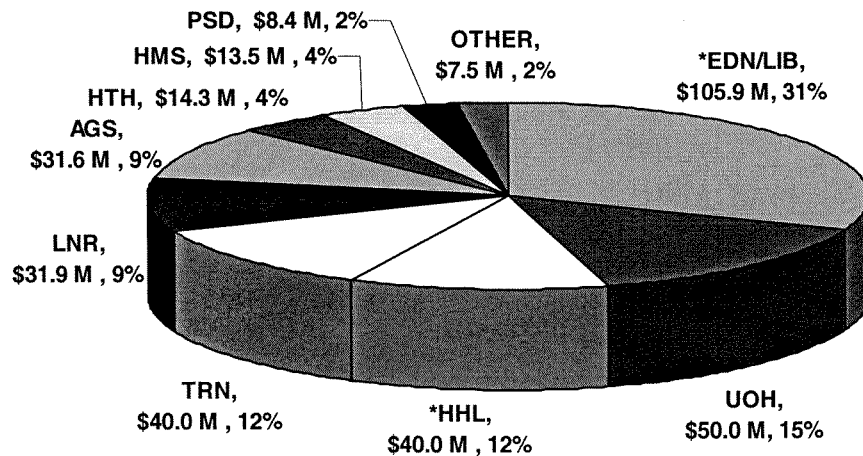
	Recommended FY 06 <u>Appropriations</u>		Recommended FY 07 <u>Appropriations</u>	
Accounting and General Services	31,600,000	9.2%	15,750,000	5.7%
Agriculture	1,100,000	0.3%	2,000,000	0.7%
Business, Economic Dev & Tourism	4,479,000	1.3%	6,693,000	2.4%
Defense	1,892,000	0.6%	2,284,000	0.8%
* Education	100,000,000	29.2%	100,000,000	36.5%
Public Libraries	5,869,000	1.7%	9,781,000	3.6%
Governor	1,000	0.0%	1,000	0.0%
* Hawaiian Home Lands	40,000,000	11.7%	40,000,000	14.6%
Health	14,274,000	4.2%	9,989,000	3.6%
Human Services	13,500,000	3.9%	12,000,000	4.4%
Land and Natural Resources	31,929,000	9.3%	22,046,000	8.0%
Public Safety	8,382,000	2.4%	3,500,000	1.3%
Transportation	40,000,000	11.7%	0	0.0%
University of Hawaii	50,000,000	14.6%	50,000,000	18.2%
TOTAL REQUIREMENTS	343,026,000	100.0%	274,044,000	100.0%
General Obligation Bonds	333,026,000	97.1%	264,044,000	96.4%
General Obligation Reimbursable Bonds	10,000,000	2.9%	10,000,000	3.6%
TOTAL REQUIREMENTS	343,026,000	100.0%	274,044,000	100.0%

* \$45,000,000 in the Department of Education and \$30,000,000 in the Department of Hawaiian Home Lands are officially appropriated in the Department of Budget and Finance, but will be spent by these respective departments, pursuant to Section 36-32, and 237-31, HRS, and Act 14, Section 6, SpSLH 1995.

FB 05-07 CIP Budget

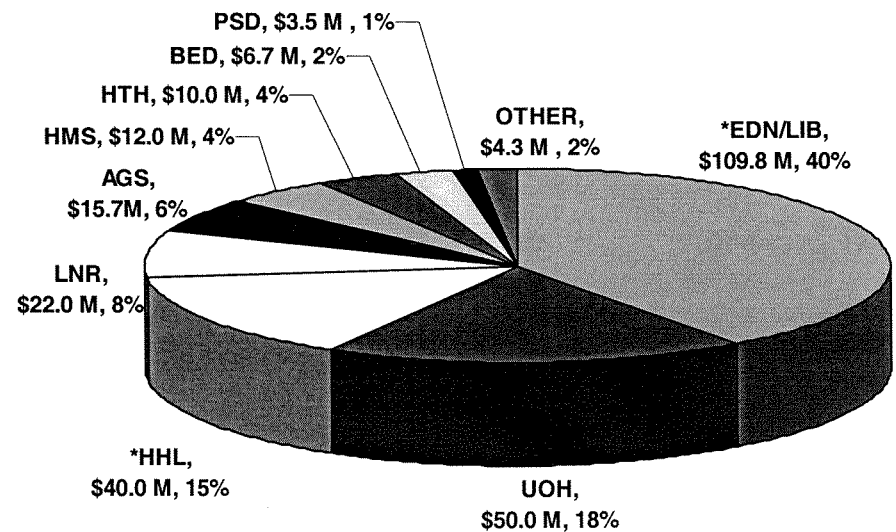
Statewide Totals by Department - G.O./G.O.R. Bonds

FY 2006



Total \$343.0 M

FY 2007



Total \$274.0 M

*\$45,000,000 in the Department of Education and \$30,000,000 in the Department of Hawaiian Home Lands are officially appropriated in the Department of Budget and Finance, but will be spent by these respective departments, pursuant to Section 36-32, and 237-31, HRS, and Act 14, Section 6, SpSLH 1995.

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The Operating and Capital Investment Budget Department Summaries and Highlights

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

MAJOR FUNCTIONS

- Maintains the State's accounting systems; records the State's financial transactions; verifies expenditures before payments; audits fiscal records of State agencies
- Coordinates and directs engineering, architectural, office leasing, and centralized services that include public building and school repair and maintenance, custodial services, and grounds maintenance
- Administers the statewide information processing and telecommunication services and programs
- Performs land survey work for government agencies
- Preserves government records and historical material
- Administers the State's risk management activities
- Manages the State's motor pool and parking activities
- Coordinates procurement activities under Chapter 103D and 103F, HRS
- Manages and operates Aloha Stadium; guides and promotes culture, the arts, history and humanities
- Directs the statewide elections systems; insures full disclosure of campaign contributions and expenditures

MAJOR PROGRAM AREAS

The Department of Accounting and General Services has programs in the following major program areas:

Formal Education

AGS 807 Physical Plant Operations & Maintenance

Culture and Recreation

AGS 818 Ethnic Group Presentations

AGS 881 Performing and Visual Arts Events

AGS 889 Spectator Events and Shows – Aloha Stadium

Government-Wide Support

AGS 101 Acct System Development and Maintenance

AGS 102 Expenditure Examination

AGS 103 Recording and Reporting

AGS 104 Internal Post Audit

AGS 111 Records Management

AGS 131 Information Processing Services

AGS 203 Risk Management

AGS 211 Land Survey

AGS 221 Construction

AGS 223 Office Leasing

AGS 231 Custodial Services

AGS 232 Grounds Maintenance

AGS 233 Building Repairs and Alterations

AGS 240 State Procurement

AGS 244 Surplus Property Management

AGS 251 Motor Pool

AGS 252 Parking Control

AGS 871 Campaign Spending Commission

AGS 879 Office of Elections

AGS 891 Wireless Enhanced 911 Board

AGS 901 General Administrative Services

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

Department Summary

Mission Statement

To provide the physical, financial, and technical infrastructure to support state departments and agencies in accomplishing their missions.

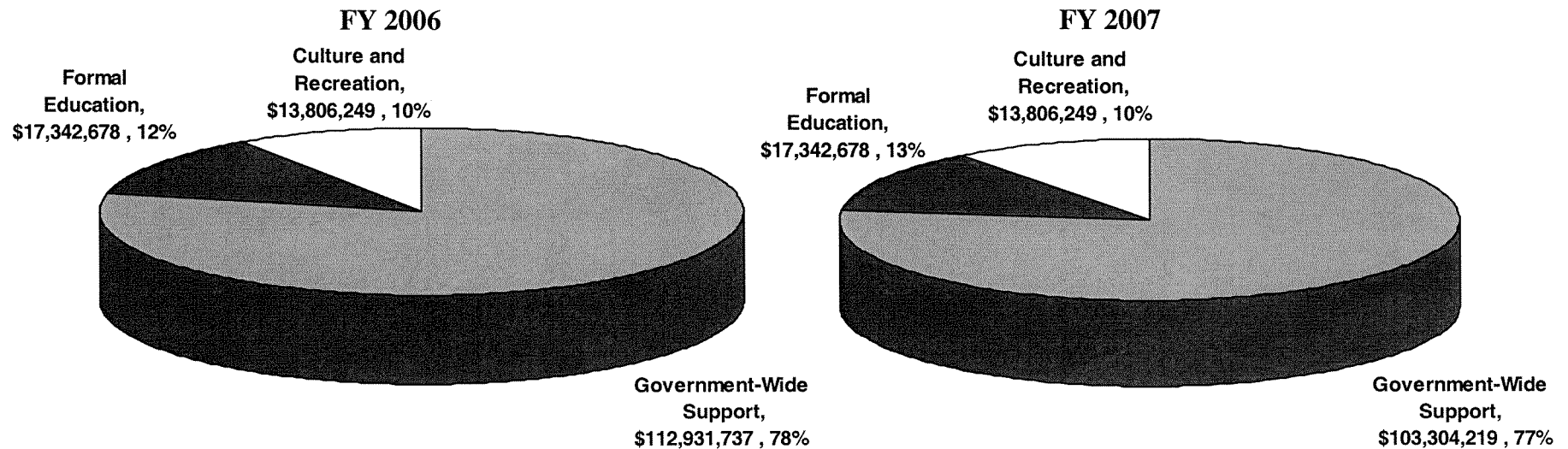
Department Goals

To strive for quality and consistency in the delivery of essential support services to other state departments and agencies. The department's activities reflect a continuing commitment towards cost efficiency, productivity, relevancy and timeliness of services.

Significant Measures of Effectiveness

	FY 2006	FY 2007
1. Average in-house time to process payments to vendors (days)	5	5
2. Percentage of production jobs run on schedule	99	99
3. Average cost of non-user change orders as a percentage of average actual construction cost	3	3

FB 2005-2007 Budget by Major Program



Department of Accounting and General Services
(Operating Budget)

		<u>FY 2005 Allocation</u>	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:	Positions	813.00	819.00	819.00
General Fund	\$	71,385,542	77,278,313	78,802,107
		51.50	51.50	51.50
Special Funds		10,950,909	18,173,291	18,173,291
		1.00	1.00	1.00
Federal Funds		751,800	1,378,158	1,378,158
		4.00	4.00	4.00
Trust Funds		4,430,630	434,538	4,463,226
		34.00	34.00	34.00
Interdepartmental Transfers		8,916,857	8,917,871	8,917,871
		44.00	44.00	44.00
Revolving Funds		21,379,845	37,898,493	22,718,493
		947.50	953.50	953.50
Total Requirements		117,815,583	144,080,664	134,453,146

Highlights of the Executive Biennium Budget Request:

1. Added general funds of \$1,399,104 for FY 06 and \$2,894,104 for FY 07 for IT support.
2. Added \$3,000,000 in general funds each year for increased electricity costs in public buildings.
3. Provided revolving funds of \$16,000,000 for FY 06 and \$1,000,000 for FY 07 for insurance reimbursements for flood damages at University of Hawaii, and other property damages.
4. Added \$7,000,000 in special funds each year to allow for expenditure of funds from the Wireless Enhanced 911 fund, created by Act 159/04, to reimburse public safety answering points and wireless carriers for enhancements to identify and locate wireless 911 callers.
5. Added \$625,000 in federal funds each year to allow for expenditure of grant funds from the Department of Human Services to assist needy families in arts and cultural programming.

Department of Accounting & General Services
(Capital Improvements Budget)

	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:		
Special Funds	425,000	75,000
General Obligation Bonds	31,600,000	15,750,000
Total Requirements	<u><u>32,025,000</u></u>	<u><u>15,825,000</u></u>

Highlights of the Executive CIP Budget Request (general obligation bond funds except as noted):

1. Provided \$8.5 M each year for CIP staff costs.
2. Provided \$12.6 M in FY 06 for asbestos removal and renovation of the Kamamalu
3. Provided \$5 M in FY 06 for a new access road to Kailua High School.
4. Provided \$400,000 in FY 06 and \$3 M in FY 07 for Washington Place and Queen's Gallery renovation.
5. Provided \$2 M each year to retrofit public buildings with hurricane protective measures.
6. Provided \$1.9 M in FY 06 and \$1 M in FY 07 to revitalize and upgrade existing communication sites.
7. Provided \$1.3 M each year for code requirements and improvements at public buildings.
8. Provided special funds of \$425,000 in FY 06 and \$75,000 in FY 07 to repair administrative office spaces at Aloha Stadium.

DEPARTMENT OF AGRICULTURE MAJOR FUNCTIONS

- Carries out programs to conserve, develop, and utilize the agricultural resources and infrastructure of the State and facilitates the transition of plantation agriculture to diversified farming
- Enforces laws, and formulates and enforces rules and regulations to further control the management of these resources
- Reviews and develops agricultural goals and objectives compatible with statewide expansion and diversification of Hawaii's agricultural base
- Prevents the introduction of plant pests and diseases, provides certification services to facilitate the export of certain plant materials, and controls and eradicates insects and noxious weeds and controls the distribution and usage of pesticides
- Administers the aquaculture development, state animal health, and agricultural and aquacultural loan programs
- Maintains official State primary measurement standards; ensures accuracy of commercial measuring devices
- Establishes and enforces grade standards for agricultural commodities producers in the State in cooperation with the industry, and achieves stability within the State milk industry by ensuring the availability of an adequate supply of wholesale milk for the consuming public
- Collects and disseminates statistical data on agricultural production and supports funding for research on various agricultural commodities

MAJOR PROGRAM AREAS

The Department of Agriculture has programs in the following major program areas:

Economic Development

AGR 101	Financial Assistance for Agriculture
AGR 122	Plant Pest and Disease Control
AGR 131	Rabies Quarantine
AGR 132	Animal Disease Control
AGR 141	Agricultural Resource Management
AGR 151	Quality and Price Assurance
AGR 153	Aquaculture Development
AGR 161	Agribusiness Development and Research

AGR 171	Agricultural Development and Marketing
AGR 192	General Administration for Agriculture

Environmental Protection

AGR 846	Pesticides
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Individual Rights

AGR 812	Measurement Standards
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DEPARTMENT OF AGRICULTURE

Department Summary

Mission Statement

To develop and promote agriculture as a significant and respected driver of Hawaii's economy.

Department Goals

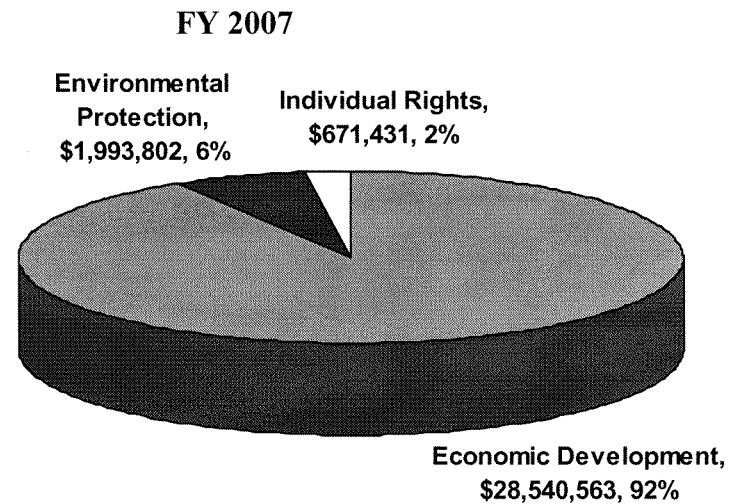
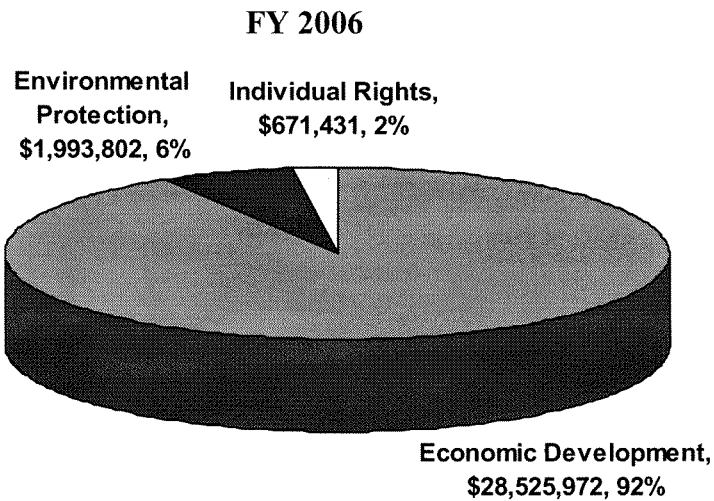
To conserve and develop essential agricultural resources and infrastructure; to gain access and develop local, domestic, and international markets for Hawaii's agricultural products; to raise awareness of the importance of agriculture to the State's economy, environment, and as a profession; to implement programs to safeguard Hawaii's farmers, consumers, and natural resources; and to prevent the introduction and establishment of plants, animals and disease that are detrimental to Hawaii's agriculture and environment.

Significant Measures of Effectiveness

1. Value of diversified agriculture (farm cash receipts for everything except sugarcane and pineapple, in \$ millions)

FY 2006	FY 2007
407	414

FB 2005-2007 Budget by Major Program



**Department of Agriculture
(Operating Budget)**

		<u>FY 2005 Allocation</u>	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:	Positions	224.50	226.50	226.50
General Fund	\$	12,183,777	13,113,259	13,113,259
		57.00	49.00	49.00
Special Funds		4,588,790	4,589,626	4,589,626
			1.00	1.00
Federal Funds		861,280	958,878	958,878
Trust Funds		788,600	798,371	812,962
			9.00	9.00
Interdepartmental Transfers		482,679	903,884	903,884
		14.00	14.00	14.00
Revolving Funds		10,678,963	10,827,187	10,827,187
		295.50	299.50	299.50
Total Requirements		<u>29,584,089</u>	<u>31,191,205</u>	<u>31,205,796</u>

Highlights of the Executive Biennium Budget Request:

1. Added 8.00 permanent (deleted 2.00 temporary) positions and \$320,175 in each year in inter-departmental transfer funds for Plant Quarantine Inspector positions to implement the Federal Aviation Administration Alien Species Action Plan.
2. Added 1.00 temporary position and \$56,138 in each year in inter-departmental transfer funds for a Livestock Inspector and increased fringe benefit costs for existing positions at the Airport Animal Quarantine Holding Facility.
3. Added 2.00 permanent Brown Tree Snake Detector Dog Handlers and \$62,184 in each year in general funds to enable DOA to meet and inspect 100% of flights from Guam.
4. Added 1.00 permanent Biotechnology Specialist and \$39,336 in each year in general funds to review, monitor, and make recommendations on State concurrence of federal permits to import and/or possess genetically engineered plants in Hawaii.
5. Restored \$494,721 in each year in general funds for agricultural research.

Department of Agriculture
(Capital Improvements Budget)

	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:		
General Obligation Bonds	1,100,000	2,000,000
Total Requirements	<u>1,100,000</u>	<u>2,000,000</u>

Highlights of the Executive CIP Budget Request (general obligation bond funds):

1. Provided \$750,000 in FY 06 and \$2,000,000 in FY 07 for ongoing improvements to the Molokai Irrigation System, currently undergoing emergency repairs.
2. Provided \$350,000 in FY 06 for Waimea Irrigation System improvements.

DEPARTMENT OF THE ATTORNEY GENERAL MAJOR FUNCTIONS

- Provides legal services to state agencies and employees; represents the State in civil litigation in which the State is a party; conducts civil and criminal investigations; drafts and approves as to form the legality of various documents
- Prosecutes criminal offenses, such as Medicaid fraud, welfare fraud, tax fraud, unemployment fraud, organized crime, and other crimes against the public order; and initiates, develops, and performs or coordinates programs, projects, and activities on the subject of crime
- Oversees the actions of the trustees of charitable trusts and brings abuse or deviation by the trustees to the attention of the probate court for possible correction
- Seeks to enforce federal and state antitrust laws to benefit businesses and consumers in the State and the overall welfare of the State
- Enforces the Master Settlement Agreement pursuant to the State's Tobacco Liability Act, and the cigarette tax stamp requirements and prohibition against the sale of grey market cigarettes
- Maintains the automated statewide information system that collects, maintains, and disseminates individual criminal history record information for those arrested and fingerprinted
- Administers the Child Support Enforcement Program, which initiates legal or administrative actions required to secure financial support for children
- Provides a fair and impartial administrative forum for the expeditious resolution of child support disputes through the Office of Child Support Hearings

MAJOR PROGRAM AREAS

The Department of Attorney General has programs in the following major program areas:

Social Services

ATG 500 Child Support Enforcement Services

Public Safety

ATG 231 State Criminal Justice Information and
Identification

Government-Wide Support

ATG 100 Legal Services

DEPARTMENT OF THE ATTORNEY GENERAL

Department Summary

Mission Statement

To provide legal and other services to the State, including the agencies, officers, and employees of the executive, legislative, and judicial branches of the Hawaii government.

Department Goals

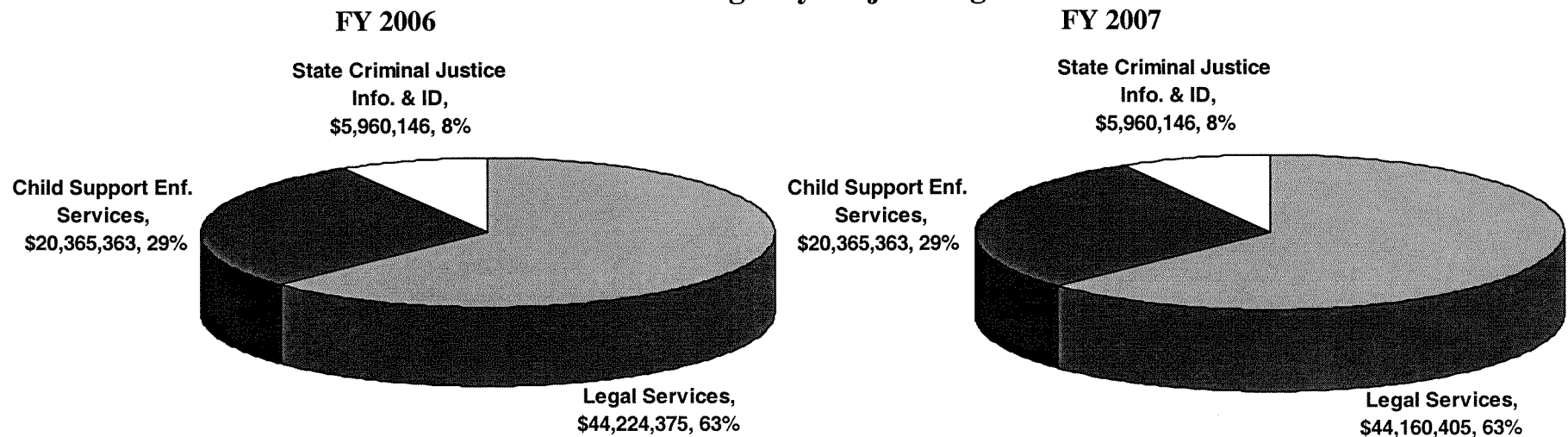
To safeguard the rights and interests of the people of the State of Hawaii by being the defender of and advocate for the people and undertaking appropriate legal and other actions on their behalf; to protect the State's interest in legal matters by providing excellent and timely legal advice and representation to the executive, legislative, and judicial branches; to preserve, protect, and defend the constitution and laws of the State of Hawaii and the United States, to enforce the State's constitution and laws, and to facilitate the enforcement of federal law; and to assist and coordinate statewide programs and activities that improve the criminal justice system and law enforcement.

Significant Measures of Effectiveness

1. Number of civil cases settled or tried
2. Percentage of complete dispositions on CJIS-Hawaii
3. Dollars collected per dollar expended

FY 2006	FY 2007
43,000	43,000
92	92
5	5

FB 2005-2007 Budget by Major Program



**Department of the Attorney General
(Operating Budget)**

		<u>FY 2005 Allocation</u>	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:	Positions	281.17	306.37	306.37
General Fund	\$	21,282,238	22,911,700	22,870,700
		15.00	17.00	17.00
Special Funds		1,460,539	1,608,373	1,600,403
		140.04	159.84	159.84
Federal Funds		25,564,789	26,500,422	26,500,422
		13.94	13.94	13.94
Trust Funds		6,621,228	6,660,353	6,660,353
		40.85	43.85	43.85
Interdepartmental Transfers		6,879,698	7,312,811	7,297,811
		16.00	19.00	19.00
Revolving Funds		5,672,257	5,556,226	5,556,226
		507.00	560.00	560.00
Total Requirements		67,480,749	70,549,885	70,485,915

Highlights of the Executive Biennium Budget Request:

1. Added 30 positons (10.2 general & 19.8 federal) with \$402,016 in general and \$780,385 in federal funds to the Child Support Enforcement Division to reduce the caseworker ratio from 412:1 to 373:1 (national average is 295:1) to increase support orders and collection of delinquent payments.
2. Added six positions and \$252,000 in FY 06 and \$222,000 in FY 07 (50% general fund) for the Family Law Division to handle increases in Family Court hearings and petitions.
3. Added \$262,637 in FY 06 and \$248,637 in FY 07 in general funds and 5.0 positions to continue the Drug Nuisance Abatement Unit.
4. Added \$136,310 in FY 06 and \$128,340 in FY 07 in special funds and two positions for the Tobacco Enforcement Unit to enforce mail order and internet tobacco importation statutes.

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DEPARTMENT OF BUDGET AND FINANCE MAJOR FUNCTIONS

- Administers the multi-year program and financial plan and executive budget, management improvement, and financial management programs of the state under the general direction of the Governor
- Coordinates state budget services and prepares the Governor's budget for submission to the legislature; administers the financial affairs of the State
- Plans, directs and coordinates the State's investments and financing programs
- Directs and coordinates a statewide retirement benefits program for state and county government employees
- Provides health and life insurance benefits for eligible state and county active and retired public employees and dependents
- Provides comprehensive legal and related services to persons who are financially unable to obtain legal and related services
- Regulates all franchised or certificated public service companies operating in the State

MAJOR PROGRAM AREAS

The Department of Budget and Finance has programs in the following major program areas:

Individual Rights

BUF 151 Office of the Public Defender
BUF 901 Public Utilities Commission

Government-Wide Support

BUF 101 Departmental Administration and Budget
Division
BUF 115 Financial Administration
BUF 141 Employees Retirement System
BUF 143 Employer Union Trust Fund

DEPARTMENT OF BUDGET AND FINANCE

Department Summary

Mission Statement

Enhance long-term productivity and efficiency in government operations by providing quality budget and financial services that prudently allocate and effectively manage available resources.

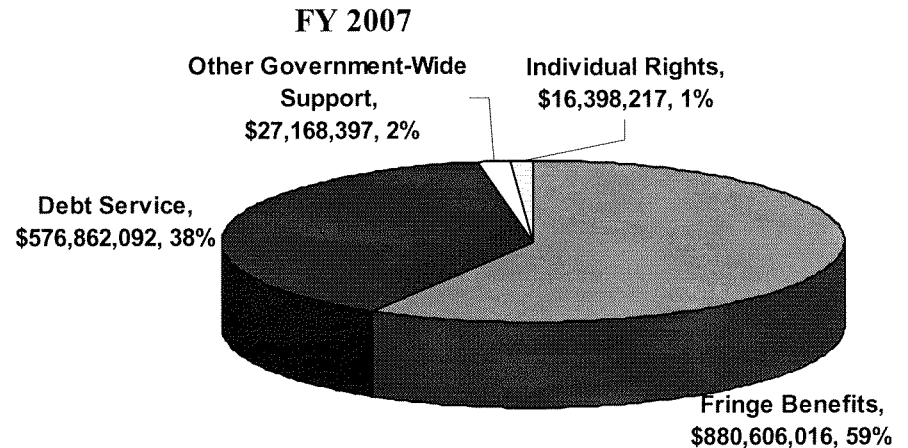
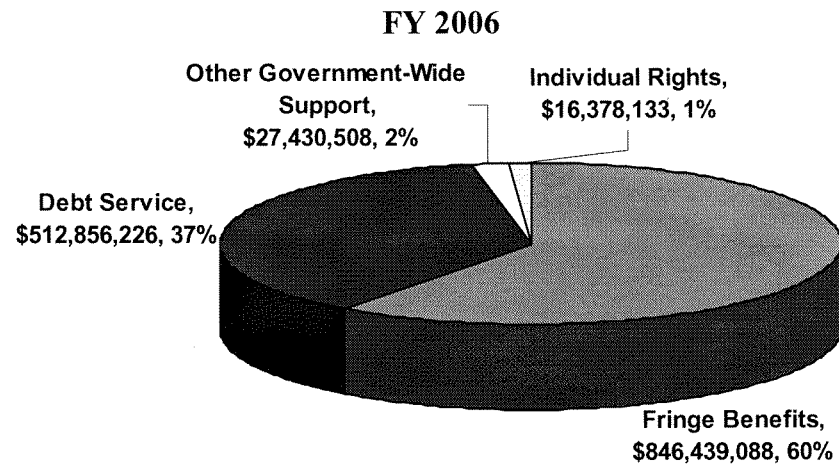
Department Goals

Improve the executive resource allocation process through planning, analysis and recommendation on all phases of program scope and funding; maximize the value, investment, and use of State funds through planning, policy development, timely scheduling of State bond financing and establishment of appropriate cash management controls and procedures; provide retirement and survivor benefits for State and County members and prudently maximize the return on investments; provide health and life insurance benefits to active and retired State and County public employees and their dependents that are affordable to both public employers and participants; ensure that regulated companies provide communication, utilities, and transportation services to the public at acceptable standards of quality, dependability, and safety; and safeguard the rights of indigent individuals in need of assistance in criminal and related cases.

Significant Measures of Effectiveness

	FY 2006	FY 2007
1. Percentage of recommendations on departments' requests completed by due date	90	90
2. Average annual rate of return on State treasury investments	2.37	2.36
3. Rate of interest paid on State bonds relative to the Bond Buyer Index for bonds of comparable term and credit	90	90

FB 2005-2007 Budget by Major Program/Activity



Department of Budget and Finance
(Operating Budget)

		<u>FY 2005 Allocation</u>	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:				
	Positions	143.00	144.00	144.00
General Fund	\$	575,458,746	596,232,212	637,915,907
		39.00	41.00	41.00
Special Funds		7,013,758	7,517,607	7,517,607
		27.00	30.00	30.00
Trust Funds		6,148,868	8,644,188	8,366,838
Interdepartmental Transfers		558,414,748	782,631,986	839,156,408
		73.00	75.00	75.00
Other Funds		18,147,397	8,077,962	8,077,962
		282.00	290.00	290.00
Total Requirements		<u>1,165,183,517</u>	<u>1,403,103,955</u>	<u>1,501,034,722</u>

Highlights of the Executive Biennium Budget Request:

1. Provided \$28,438,527 in FY 06 and \$57,509,993 in FY 07 in general funds and \$136,134,040 in FY 06 and \$171,068,440 in FY 07 in inter-departmental transfer funds for debt service.
2. Reduced the general fund in FY 06 by \$34,007,020 and \$26,616,124 in FY 07 and provided \$45,130,042 in FY 06 and \$58,476,388 in FY 07 in inter-departmental transfer funds for employer contributions for health benefits.
3. Provided \$26,651,452 in FY 06 and \$28,589,881 in FY 07 in general funds and \$34,466,173 in FY 06 and \$38,036,550 in FY 07 in inter-departmental transfer funds for employer contributions for pension accumulation.
4. Reduced the general fund in FY 06 by \$6,473,509 and \$3,851,218 in FY 07 and provided \$8,497,957 in FY 06 and \$13,171,256 in FY 07 in inter-departmental transfer funds for employer contributions for social security/medicare.
5. Provided \$1,500,000 in trust funds for FY 06 and FY 07 for unclaimed property judgement and claims.

Department of Budget & Finance
(Capital Improvements Budget)

	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:		
General Obligation Bonds	75,000,000	75,000,000
Total Requirements	<u>75,000,000</u>	<u>75,000,000</u>

Highlights of the Executive CIP Budget Request (general obligation bond funds):

1. Provided \$30,000,000 in FY 06 and FY 07 for Hawaiian Home Lands settlement payments.
2. Provided \$45,000,000 in FY 06 and FY 07 for State Education Facilities Improvement Special Fund deposit.

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

MAJOR FUNCTIONS

- Promotes industry development and economic diversification by supporting existing and emerging industry clusters such as life sciences, dual use, astronomy space, alternative and renewable energy, environmental services, tourism services and telcom and IT, utilizing public-private partnerships under the concept of Team Hawaii.
- Promotes the growth of the film, video and digital media production industry and an industry utilizing Hawaii's diverse artistic and cultural resources.
- Plans and supports the development and promotion of diversified events, attractions, and services for leisure and business travelers.
- Provides data and analyzes economic and demographic issues affecting Hawaii and participates in U.S. Census.
- Preserves, protects and encourages development of lands in the State for uses to benefit the public.
- Revitalizes areas in the State needing redevelopment through the formation of public-private partnerships, implementation of infrastructure improvements, and facilitating mixed-use development.
- Maintains a comprehensive statewide planning process to enhance the efficiency and effectiveness of State programs.

MAJOR PROGRAM AREAS

The Department of Business, Economic Development and Tourism has programs in the following major program areas:

Economic Development

BED 100	Strategic Marketing and Support
BED 105	Arts, Film and Entertainment
BED 107	Foreign Trade Zone
BED 113	Tourism
BED 120	Strategic Industries
BED 142	General Support for Economic Development
BED 143	High Technology Development Corporation
BED 145	Hawaii Strategic Development Corporation

BED 146	Natural Energy Lab of Hawaii Authority
BED 150	Hawaii Community Development Authority
BED 151	Aloha Tower Development Corporation

Government-Wide Support

BED 103	Statewide Land Use Management
BED 130	Economic Planning and Research
BED 144	Statewide Planning and Coordination

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

Department Summary

Mission Statement

To strengthen Hawaii's economy, lead business development efforts, attract new investment, and document Hawaii's economy.

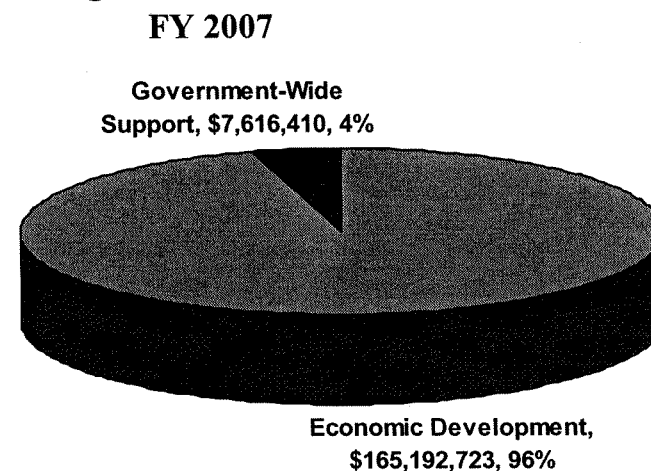
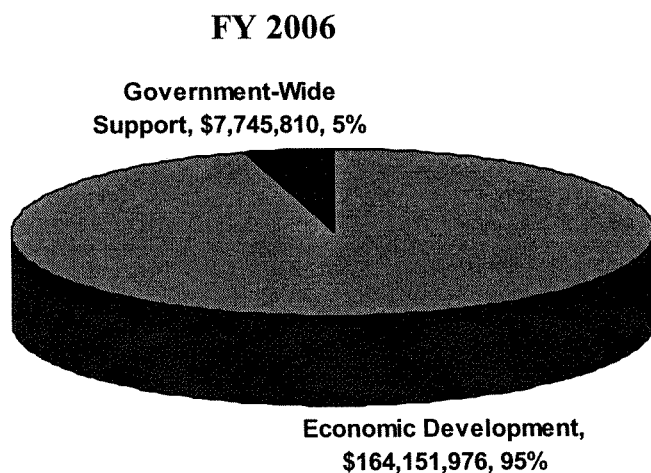
Department Goals

Make it easier for small businesses to do business, be profitable, and expand; strengthen the traditional pillars of Hawaii's economy: Tourism, the Military, Construction and Development, Diversified Agriculture, Marine Resources, Arts, Film and Entertainment, and Captive Insurance; and diversify Hawaii's economy by focusing on key clusters where Hawaii offers competitive advantage while developing Hawaii's destiny as a center of knowledge in the Pacific century.

Significant Measures of Effectiveness

	FY 2006	FY 2007
1. Annual percentage increase in Gross State Product	5.1	5
2. Number of new jobs created per annum	7,307	7,125
3. Investment generated by business development and promotional activities (\$M)	31	9

FB 2005-2007 Budget by Major Program



Department of Business, Economic Development & Tourism
(Operating Budget)

		<u>FY 2005 Allocation</u>	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:	Positions	116.50	116.50	115.50
General Fund	\$	10,684,771	13,747,799	13,109,643
		28.50	28.50	28.50
Special Funds		122,249,067	130,517,988	132,491,554
		4.00	4.00	4.00
Federal Funds		35,709,783	17,013,138	16,495,873
				1.00
Revolving Funds		4,943,469	10,618,861	10,712,063
		149.00	149.00	149.00
Total Requirements		<u>173,587,090</u>	<u>171,897,786</u>	<u>172,809,133</u>

Highlights of the Executive Biennium Budget Request:

1. Added \$500,000 in general funds in each year of FB 05-07 for business marketing.
2. Transfers 4.0 temporary Business Action Center (BAC) positions to Department of Commerce and Consumer Affairs (DCCA), and deletes \$193,944 in general funds in each year of FB 05-07. Positions and operating costs for BAC would be special funded in DCCA.
3. Added \$8,200,000 and \$9,700,000 in tourism special funds in FY 06 and FY 07, respectively, to expand tourism promotion programs.
4. Added \$551,769 and \$251,769 in general funds in FY 06 and FY 07, respectively, to implement petroleum industry data and information functions.
5. Added 12.00 temporary position counts and \$615,456 in general funds for the conversion of Hawaii Community Development Authority administrative support staff from GO Bond funds to the General Fund in FY 06 and 07.

Department of Business, Economic Development & Tourism
(Capital Improvements Budget)

	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:		
General Obligation Bonds	4,479,000	6,693,000
Total Requirements	<u>4,479,000</u>	<u>6,693,000</u>

Highlights of the Executive CIP Budget Request (general obligation bond funds):

1. Provided \$440,000 in FY 06 for Hawaii Film Studio Renovations and Improvements.
2. Provided \$444,000 in FY 06 and \$3,953,000 in FY 07 to the Aloha Tower Development Corporation (ATDC) for Honolulu Harbor Traffic Plan and Streetscape Improvement to increase access to the waterfront area.
3. Provided \$854,000 in FY 06 for ATDC for HECO Honolulu Plant Demolition and Environmental Remediation.
4. Provided \$1,001,000 in FY 06 for Kakaako Community Development District, Queen Street Improvements.
5. Provided \$740,000 in FY 06 and FY 07 to continue seven Hawaii Community Development Authority temporary CIP project staff .
6. Provided \$1,000,000 in FY 06 for Kalaeloa Community Development District Improvements.
7. Provided \$2,000,000 in FY 07 for Kakaako Makai Improvements.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS MAJOR FUNCTIONS

- Develops standards relating to the licensing of and general supervision over the conduct of financial institutions, professions, businesses, trades, and insurance companies
- Grants or denies the issuance professional, business and trade licenses; directs investigations, holds hearings, and suspends, revokes or reinstates licenses; makes, amends or repeals such rules and regulations deemed proper to fully effectuate the provisions of the laws within the Department's scope and jurisdiction
- Represents, protects, and advances the interest of consumers of utility services; conducts investigations; assists and cooperates with Federal, State, and local agencies to protect the consumer's interests in the public utilities fields
- Coordinates consumer protection activities in the State; conducts investigations, research, and enforces laws, rules, and regulations in the area of consumer protection; provides consumer education services and programs
- Administers the laws of the State relating to corporations; partnerships; sales of securities; registration of trademarks, tradenames, prints and labels; miscellaneous business registrations; financial institutions; and the insurance industry
- Ensures that subscribers are provided with cable communication services which meet acceptable standards of quality, dependability, and fair rates; establishes technical standards of performances; maintains surveillance over filed rates, charges, terms, and conditions of services; and monitors the operations and management of cable television operators

MAJOR PROGRAM AREAS

The Department of Commerce and Consumer Affairs has programs in the following major program area:

Individual Rights

Consumer Protection/Business Regulation

CCA 102	Cable Television
CCA 104	Financial Institution Services
CCA 105	Professional and Vocational Licensing
CCA 106	Insurance Regulatory Services
CCA 111	Business Registration

Consumer Protection

CCA 103	Consumer Advocate for Communication, Utilities, and Transportation Services
CCA 110	Office of Consumer Protection
CCA 112	Regulated Industries Complaints Office

General Support

CCA 191	General Support
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DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

Department Summary

Mission Statement

To fairly regulate business, while ensuring consumer protection in commercial transactions in Hawaii.

Department Goals

To develop, promote, and implement rational business regulation; to consider the public interest and increase the opportunity for public involvement in the regulatory process; and to ensure fairness in the conduct of administrative hearings that address decisions made by department regulators.

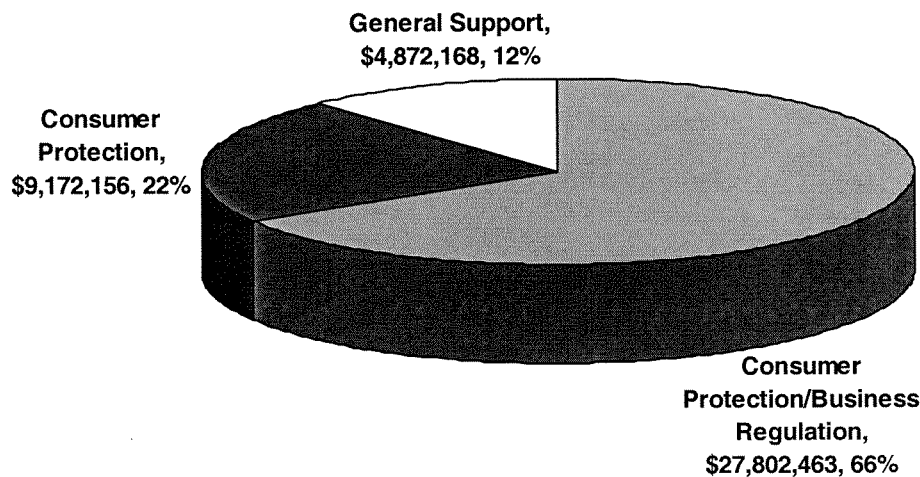
Significant Measures of Effectiveness

1. Percentage of complaints responded to in a timely manner
2. Average number of days to process corporation, partnership, limited liability company, trade name or other documents with/without expedited handling
3. Percentage cases completed within the designated time for contested case hearings

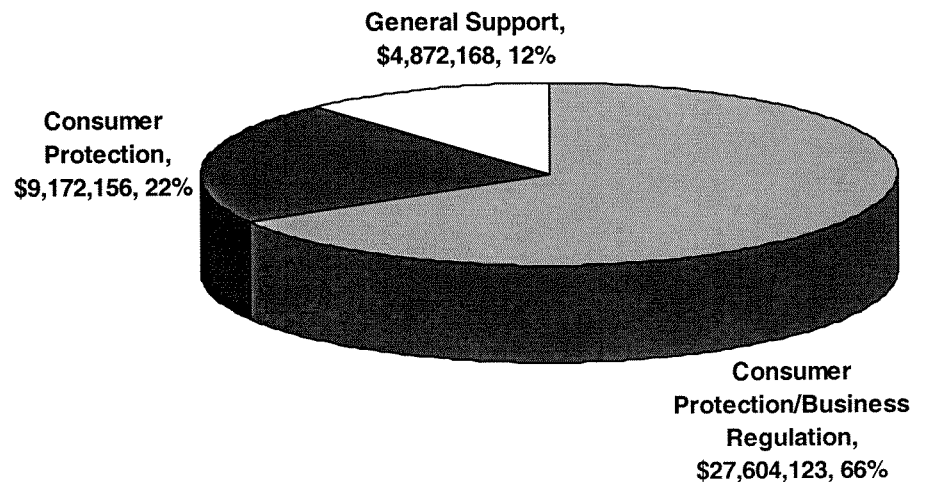
FY 2006	FY 2007
92	92
2	2
85	85

FB 2005-2007 Budget by Major Activity

FY 2006



FY 2007



Department of Commerce and Consumer Affairs
(Operating Budget)

		<u>FY 2005 Allocation</u>	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:	Positions	0.00	0.00	0.00
General Fund	\$	0	0	0
		333.00	340.00	340.00
Special Funds		38,020,459	39,803,259	39,604,919
		4.00	4.00	4.00
Trust Funds		2,031,578	2,043,528	2,043,528
		23.00	0.00	0.00
Interdepartmental Transfers		2,473,837	0	0
		360.00	344.00	344.00
Total Requirements		<u>42,525,874</u>	<u>41,846,787</u>	<u>41,648,447</u>

Highlights of the Executive Biennium Budget Request:

1. Provided \$895,557 in special funds for fringe benefit rate increases for FY 2006 and FY 2007.
2. Provided \$671,920 in special funds for central service assessments for FY 2006 and FY 2007.
3. Provided 2 temporary positions and \$109,435 in special funds for a new licensing program for mental health counselors for FY 2006 and FY 2007, as enacted by Act 209, SLH 2004.
4. Provided \$358,340 for FY 2006 and \$160,000 for FY 2007 in special funds for the Drivers Education Fund.
5. Provided 4 permanent exempt positions and \$257,592 in special funds for the transfer of the Business Action Center from DBEDT for FY 2006 and FY 2007.
6. Reduced \$100,000 in special funds for reductions in repairs/maintenance expenses for FY 2006 and FY 2007.

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DEPARTMENT OF DEFENSE MAJOR FUNCTIONS

- Provides for the defense, safety and welfare of the people of Hawaii.
- Maintains its readiness to respond to the needs of the people in the event of war or devastation originating from either natural or human-caused disasters.
- To meet its federal mission as part of the military reserve component, the Hawaii National Guard, consisting of the Army and Air National Guard divisions, is manned, trained, equipped and ready for call to active duty by the President in times of national emergency. To meet its State mission, the Hawaii National Guard responds when necessary to protect life and property, preserve peace, order and public safety as directed by competent State authority.
- Coordinates the civil defense planning of all public and private organizations within the islands, minimizes the loss of life and property damage, restores essential public services, and expedites the recovery of individuals in the event of natural or human-caused mass casualty situations.
- Administers the Youth Challenge Academy, which serves youth at risk by providing life-transforming experience through training under military-like conditions.
- Office of Veterans Services – Responsible for the statewide administration, conduct, and coordination of all functions and activities prescribed under Chapter 363, Veterans Rights and Benefits, HRS, for veterans and their dependents.

MAJOR PROGRAM AREAS

The Department of Defense has programs in the following major program areas:

Social Services

DEF 112 Services to Veterans

Formal Education

DEF 114 Hawaii National Guard Youth Challenge
Academy

Individual Rights

DEF 110 Amelioration of Physical Disasters

DEPARTMENT OF DEFENSE

Department Summary

Mission Statement

To assist authorities in providing for the safety, welfare, and defense of the people of Hawaii.

Department Goals

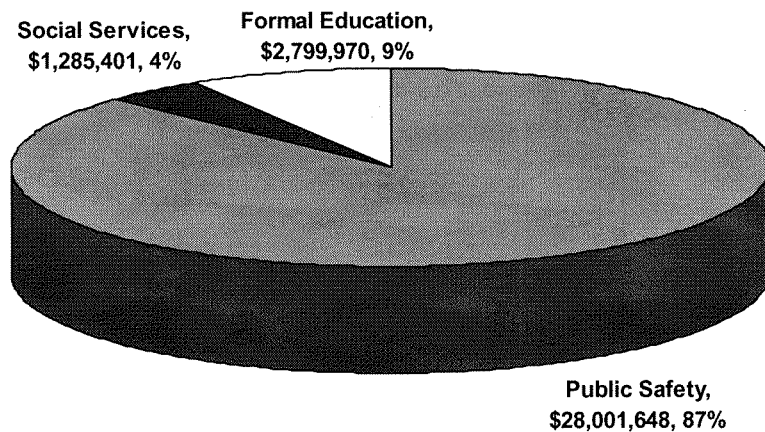
To maintain readiness to respond to the needs of the people in the event of disasters, either natural or human-caused; to administer policies and programs related to veterans and their families; to provide at-risk youth with opportunities to obtain their high school diplomas and become productive citizens.

Significant Measures of Effectiveness

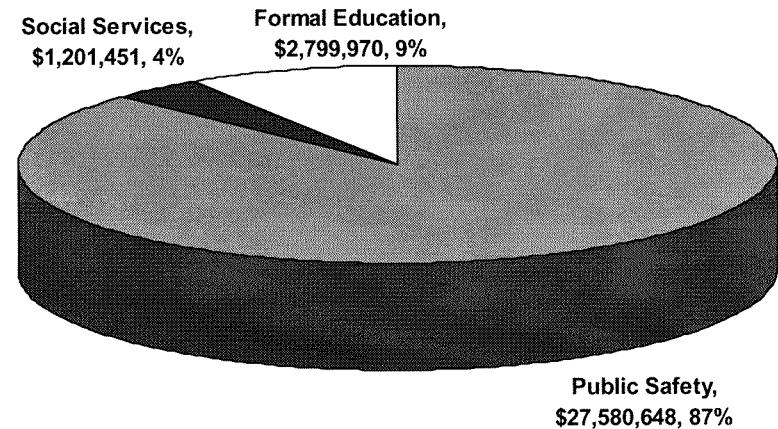
	FY 2006	FY 2007
1. Percent of civil defense disaster plans kept current	75	75
2. Percent of veterans' services plan achieved	95	95
3. Percent of students completing Phase II receiving high school diplomas	82	80

FB 2005-2007 Budget by Major Program

FY 2006



FY 2007



**Department of Defense
(Operating Budget)**

		<u>FY 2005 Allocation</u>	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:	Positions	144.30	146.80	146.80
General Fund	\$	9,549,486	10,409,894	10,227,444
		47.20	47.70	47.70
Federal Funds		10,078,228	21,677,125	21,354,625
		191.50	194.50	194.50
Total Requirements		<u>19,627,714</u>	<u>32,087,019</u>	<u>31,582,069</u>

Highlights of the Executive Biennium Budget Request:

1. Added general funds of \$131,200 in FY 06 and \$56,250 in FY 07 for Hawaii State Veterans Cemetery repairs.
2. Added general funds of \$473,750 in FY 06 and \$366,250 in FY 07 and federal funds of \$1,421,250 in FY 06 and \$1,098,750 in FY 07 for Hawaii Army National Guard real property operations and maintenance.
3. Added federal funds of \$10,039,350 and 1.00 temporary position in both years to reflect federal Homeland Security grant funds.

Department of Defense
(Capital Improvements Budget)

	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:		
General Obligation Bonds	1,892,000	2,284,000
Federal Funds	100,000	100,000
Total Requirements	<u>1,992,000</u>	<u>2,384,000</u>

Highlights of the Executive CIP Budget Request (general obligation bond funds ex

1. Provided \$134,000 in FY 06 and \$430,000 in FY 07 for repairs to Hawaii State Veterans Cemetery.
2. Provided \$1,284,000 in both years and federal funds of \$100,000 in both years for disaster warning and communications devices, statewide.
3. Provided \$119,000 in FY 06 and \$570,000 in FY 07 to address health and safety requirements for Birkhimer Tunnel and support facilities.

DEPARTMENT OF EDUCATION MAJOR FUNCTIONS

- Under the direction of the Board of Education, the Department of Education manages the statewide system of public schools.
- The Board of Education also oversees the Hawaii State Public Library System, and appoints the Executive Director of the Charter School Administrative Office.
- The scope of educational programs and services of the public schools regularly encompasses grades kindergarten through twelve, and such pre-school programs and community/adult education programs as may be established by law.
- In addition to regular programs of instruction and support services, public schools offer special programs and services for qualified students with disabilities, gifted and talented students, students with limited English language proficiency, and students who are economically and culturally disadvantaged, school-alienated, or institutionally confined.
- The Hawaii State Public Library System operates the Hawaii State Library, the Library for the Blind and Physically Handicapped, public libraries, community public and school libraries, and bookmobile services.

MAJOR PROGRAM AREAS

The Department of Education has programs in the following major program area:

Formal Education

EDN 100	School-Based Budgeting
EDN 150	Comprehensive Student Support Services
EDN 200	Instructional Support
EDN 300	State and District Administration
EDN 400	School Support
EDN 407	Public Libraries
EDN 500	School Community Services
EDN 600	Charter Schools

DEPARTMENT OF EDUCATION

Department Summary

Mission Statement

All public school graduates will realize their goals and aspirations; have attitudes, knowledge and skills to contribute positively to and compete in a global society; exercise rights and responsibilities of citizenship; and pursue higher education or careers without need for remediation. Hawaii State Public Library System will provide Hawaii's residents, in all walks of life, and at each stage of their lives, with access to education, information, programs and services, and to teach and nurture love of reading and life-long learning.

Department Goals

Public School Goals: to provide a standards-based education for every child; sustain a comprehensive support for all students; deliver coordinated, systemic support for staff and schools; achieve and sustain student, professional and system quality through continuous improvement. Hawaii State Library System Goals: Increase access to public library services and collections through innovative and effective methods and technologies; seek additional revenue sources and partnerships and make the best use of existing resources.

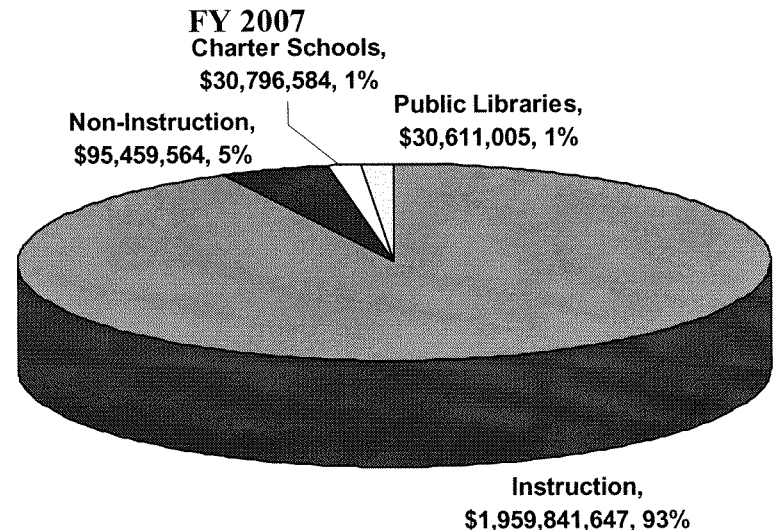
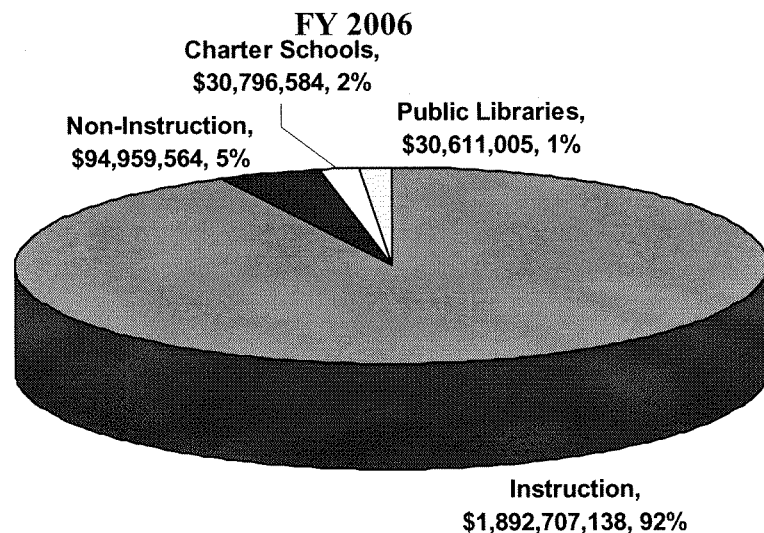
Significant Measures of Effectiveness

1. Percentage of schools making adequate yearly progress
2. Percentage of students scoring proficient or exceeding proficiency in reading
3. Percentage of students scoring proficient or exceeding proficiency in math

FY 2006 FY 2007

54	68
50	50
28	28

FB 2005-2007 Budget by Major Activity



Department of Education
(Operating Budget)

		<u>FY 2005 Allocation</u>	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:	Positions	18,881.60	18,712.60	18,753.10
General Fund	\$	1,499,748,065	1,723,490,274	1,766,292,748
		728.50	728.50	728.50
Special Funds		36,248,000	31,722,529	32,024,749
		5.00	45.00	45.00
Federal Funds		228,947,108	234,070,483	258,102,298
Trust Funds		5,950,000	5,950,000	5,950,000
Interdepartmental Transfers		9,800,000	10,300,000	10,800,000
Revolving Funds		4,541,388	12,930,000	12,928,000
		19,615.10	19,486.10	19,526.60
Total Requirements		<u>1,785,234,561</u>	<u>2,018,463,286</u>	<u>2,086,097,795</u>

Highlights of the Executive Biennium Budget Request: (general funds unless noted)

1. Added \$378,686 and 7.0 perm. FTE positions in FY 06 and \$1,489,176 and 47.5 perm. FTE positions in FY 07 for new facility staffing. Added \$2,640,983 in FY 06 and \$3,044,660 in FY 07 for equipment, textbooks, and supplies for the new facilities.
2. Added federal funds of \$4,680,324 in FY 06 and FY 07 and 40.0 permanent FTE and 30.0 temporary FTE positions for Stryker Brigade Impact.
3. Added \$5,000,000 in FY 06 and FY 07 for school food services program.
4. Added revolving funds of \$7,000,000 in FY 06 and FY 07 for the A+ program.
5. Added \$362,413,669 in FY 06 and \$375,650,947 in FY 07 for fringe benefits; and \$206,116,917 in FY 06 and \$231,840,873 in FY 07 for debt service.
6. Deleted 251.0 FTE and \$8,611,815 in FY 06 and FY 07 for enrollment adjustments.
7. Added \$8,611,815 in FY 06 and FY 07 for R&M lump sum for school facilities.
8. Increased federal funds by \$3,095,199 in FY 06 and \$23,543,062 in FY 07 for No Child Left Behind.
9. Includes \$30,796,584 in FY 06 and FY 07 for the Charter Schools.
10. Deleted \$1,277,028 in FY 06 and FY 07 that DOE erroneously added to their ceiling.

Department of Education - Public Libraries
(Operating Budget)

		<u>FY 2005 Allocation</u>	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:	Positions	553.55	553.55	553.55
General Fund	\$	26,445,396	26,120,761	26,120,761
Special Funds		3,125,000	3,125,000	3,125,000
Federal Funds		1,365,244	1,365,244	1,365,244
		<hr/>	<hr/>	<hr/>
		553.55	553.55	553.55
Total Requirements		<u><u>30,935,640</u></u>	<u><u>30,611,005</u></u>	<u><u>30,611,005</u></u>

Highlights of the Executive Biennium Budget Request:

1. None.

Department of Education
(Capital Improvements Budget)

	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:		
General Obligation Bonds	55,000,000	55,000,000
Special Funds	45,000,000	45,000,000
Total Requirements	<u>100,000,000</u>	<u>100,000,000</u>

Highlights of the Executive CIP Budget Request:

1. Provided \$55,000,000 in general obligation bond funds and \$45,000,000 in State Educational Facilities Improvement special funds in FY 06 and FY 07 for educational facilities, statewide.

Department of Education - Public Libraries Division
(Capital Improvements Budget)

	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:		
General Obligation Bonds	5,869,000	9,781,000
Total Requirements	<u>5,869,000</u>	<u>9,781,000</u>

Highlights of the Executive CIP Budget Request (general obligation bond funds):

1. Provided \$5,000,000 in FY 06 and FY 07 for library health and safety requirements, statewide.
2. Provided \$744,000 in FY 06 for land acquisition and \$4,781,000 in FY 07 for construction for the expansion of the Makawao Public Library.
3. Provided \$125,000 in FY 06 to allow HSPLS to initiate plans, studies, and surveys for the potential new site of Nanakuli library.

OFFICE OF THE GOVERNOR MAJOR FUNCTIONS

- Ensuring the economic well-being of the citizens as measured by standard benchmarks including gross state product, unemployment, economic growth, new business creation, immigration, per capita income, and capital formation.
- Ensuring the social well-being of the citizens as measured by standard benchmarks such as infant mortality, longevity, educational achievement, family formation, homeownership, environmental cleanliness, leisure time, charitable giving, crime statistics, and overcrowding.
- Ensuring Departments work cooperatively across departmental divisions to deliver public services at the lowest possible cost.
- Successfully shepherding Executive Branch bills through the Legislature that reflect the priorities of the Governor and her administration.
- Ensuring Departments accomplish the goals listed in *A New Beginning*.
- Ensuring media stories accurately reflect the policies, goals, and priorities of the Administration.
- Minimizing turnover, improving retention, and expediting recruitment of the public workforce.
- Settlement of collective bargaining issues that result in multi-year contracts ensuring that disruptions in the delivery of public programs are minimized. Ensuring the ability of the state to adequately fund these settlements without adverse impact on the taxpayers of the State of Hawaii.

MAJOR PROGRAM AREAS

The Office of the Governor has programs in the following major program area:

Government-Wide Support

GOV 100 Office of the Governor

GOV 102 Other Policy Development and Coordination

OFFICE OF THE GOVERNOR

Department Summary

Mission Statement

To enhance the effectiveness and efficiency of state programs by providing Executive direction, policy development, program coordination, and planning and budgeting.

Department Goals

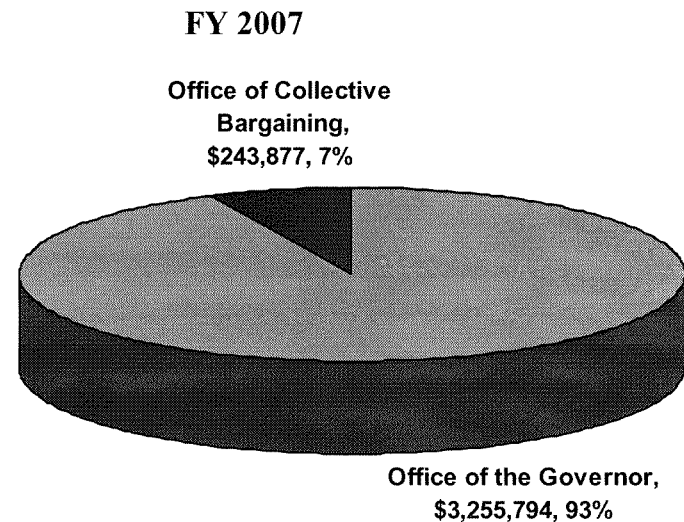
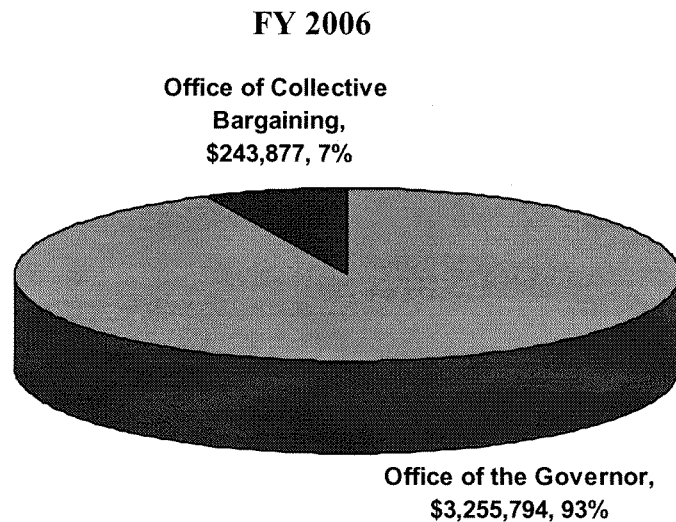
Improving the economic and social well-being of the citizens of Hawaii as measured by standard benchmarks;
lead Departments in working cooperatively across departmental divisions to deliver a public service at the lowest possible costs;
lead the Executive Branch to successfully shepherd bills through the Legislature that reflect priorities of the Governor's administration;
and accomplishing the goals listed in *A New Beginning*.

Significant Measures of Effectiveness

No applicable data.

FY 2006 FY 2007

FB 2005-2007 Budget by Major Activity



**Office of the Governor
(Operating Budget)**

		<u>FY 2005 Allocation</u>	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:				
	Positions	37.00	37.00	37.00
General Fund	\$	3,313,216	3,499,671	3,499,671
		37.00	37.00	37.00
Total Requirements		<u>3,313,216</u>	<u>3,499,671</u>	<u>3,499,671</u>

Highlights of the Executive Biennium Budget Request:

1. Adds \$103,000 in general funds for membership dues to National Governor's Association, Pacific Basin Development Council, and Education Commission of the States.

Office of the Governor
(Capital Improvements Budget)

	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:		
General Obligation Bonds	1,000	1,000
Total Requirements	<u>1,000</u>	<u>1,000</u>

Highlights of the Executive CIP Budget Request:

1. Provided \$1,000 in general obligation bond funds in each year for the Project Adjustment Fund to address contingencies.

DEPARTMENT OF HAWAIIAN HOME LANDS

MAJOR FUNCTIONS

- Identifying and assessing the needs of beneficiaries of the Hawaiian Homes Commission Act (HCCA) through research and planning; compiling data needed for the development and utilization of Hawaiian home lands and other physical resources of the Hawaiian Homes Trust; identifying Hawaiian home lands by physical characteristics, lands use, and planned use of the lands; and developing and updating regional master plans for designated areas
- Developing, marketing, disposing of, and managing Hawaiian home lands not immediately needed or not suitable for homestead purposes by issuing general leases, revocable permits, licenses, and rights-of-entry to generate income to finance homestead lot development activities
- Developing Hawaiian home lands for homesteading and income-producing purposes by designing and constructing off-site and on-site improvements
- Developing waiting lists of applicants for homestead leases; awarding homestead leases; providing loans for home building, repair, and replacement and for development of farms and ranches; managing homestead areas on the islands of Oahu, Hawaii, Maui, Molokai, Kauai and Lanai; and providing for the maintenance, repair, and operation of water systems, roads, and facilities

MAJOR PROGRAM AREAS

The Department of Hawaiian Home Lands has a program in the following major program area:

Social Services

HHL 602 Planning, Development, Management, and
General Support for Hawaiian Homesteads

DEPARTMENT OF HAWAIIAN HOME LANDS

Department Summary

Mission Statement

To manage the Hawaiian Home Lands Trust effectively and to develop and deliver land to native Hawaiians.

Department Goals

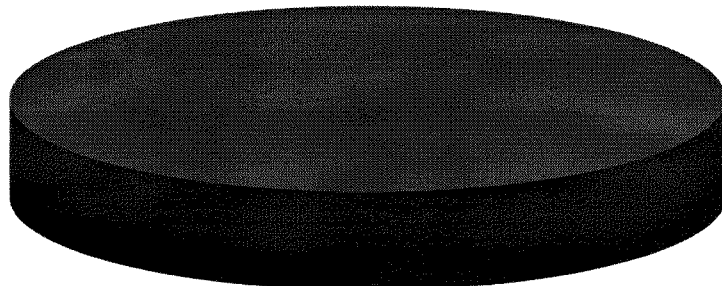
To effectively manage the trust's lands, water, and related resources; to develop and deliver of land for award to beneficiaries on an on-going basis; to develop and deliver program services that meet the housing needs fo native Hawaiians; to effectively develop and manage of financial resources; to effectively manage the department's human resources and to establish better relationships with the native Hawaiian community, governmental agencies, individual homestead communities, and the community at large.

Significant Measures of Effectiveness

	FY 2006	FY 2007
1. # new residential homesteads awarded as % of planned homesteads	100%	100%
2. # direct residential loans granted as % of loans planned	100%	100%
3. # of homes constructed as % planned for construction	100%	100%

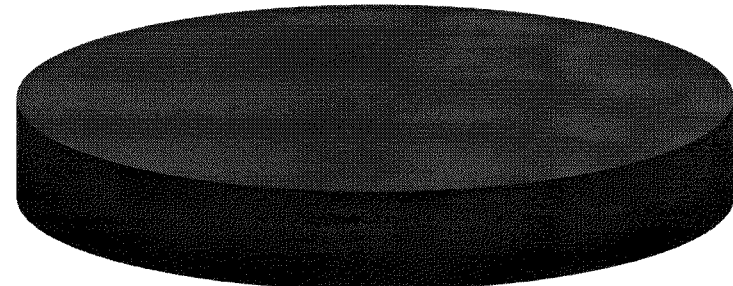
FB 2005-2007 Budget by Major Program

FY 2006



Social Services,
\$9,129,838, 100%

FY 2007



Social Services,
\$9,129,838, 100%

Department of Hawaiian Home Lands
(Operating Budget)

		<u>FY 2005 Allocation</u>	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:	Positions	18.00	18.00	18.00
General Fund	\$	792,571	817,559	817,559
		100.00	100.00	100.00
Special Funds		7,974,150	8,312,279	8,312,279
		<hr/>		
		118.00	118.00	118.00
Total Requirements		8,766,721	9,129,838	9,129,838
		<hr/> <hr/>		

Highlights of the Executive Biennium Budget Request:

1. Provided \$219,365 in each year in special funds for fringe benefit rate increases.

Department of Hawaiian Home Lands
(Capital Improvements Budget)

	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:		
General Obligation Bonds	10,000,000	10,000,000
Total Requirements	<u>10,000,000</u>	<u>10,000,000</u>

Highlights of the Executive CIP Budget Request:

1. Provided \$10 million in general obligation bond funds in FY 06 and FY 07 for HHL housing initiatives.

DEPARTMENT OF HEALTH MAJOR FUNCTIONS

- Plans, directs and administers statewide programs to protect, preserve and improve the physical, mental and environmental health of Hawaii's residents.
- Administers programs for the prevention, control and treatment of infectious and communicable diseases; coordinates bioterrorism preparedness planning activities and integrating these activities with surveillance and response mechanisms.
- Administers community based programs that provide and coordinate health intervention services and support for at-risk families, populations and communities who are most likely to experience unhealthy outcomes. Also provides public health nursing intervention services in the areas of communicable disease, disaster outbreaks care coordination, follow-up and monitoring for at-risk populations and nursing supervision and oversight as well as intervention in the public schools.
- Plans, coordinates and provides statewide mental health services which include treatment, consultative and preventive components for individuals; also plans, coordinates and implements statewide services relative to alcohol and drug abuse.
- Provides services and supports to individuals with developmental disabilities or mental retardation and their families to attain quality of life.
- Administers the statewide emergency medical services system.
- Implements and maintains statewide programs for the control of air pollution; recreational and navigable water pollution; solid and hazardous waste; the purity of drinking water; and the financing, construction, operation and maintenance of public wastewater treatment works. Also implements and maintains programs which provide community health services related to environmental health including public sanitation, vector control, indoor air quality, noise, radiation and the purity of food and drugs.
- Administers a statewide laboratories program which conducts analysis in support of environmental health and communicable disease monitoring and control activities.
- Plans, provides and promotes health services to mothers, children and youth and family planning services. Also promotes optimal oral health for the residents of the State; develops and implements methods for the prevention and early detection of oral diseases and abnormalities and for the control of such conditions when they are not prevented.

MAJOR PROGRAM AREAS

The Department of Health has programs in the following major program areas:

Environmental Protection

HTH 840	Environmental Management
HTH 849	Environmental Health Administration
HTH 850	Policy Development, Coordination, and Analysis for Natural Physical Environment

Health

HTH 101	Tuberculosis Control
HTH 111	Hansen's Disease Services
HTH 121	STD/AIDS Prevention Services
HTH 131	Disease Outbreak Control
HTH 141	Dental Diseases
HTH 180	Chronic Disease Management and Control
HTH 210	Hawaii Health Systems Corporation
HTH 420	Adult Mental Health – Outpatient
HTH 430	Adult Mental Health – Inpatient
HTH 440	Alcohol and Drug Abuse
HTH 460	Child and Adolescent Mental Health
HTH 495	Behavioral Health Administration
HTH 501	Developmental Disabilities
HTH 530	Children with Special Health Needs Services
HTH 540	Women, Infants and Children Services
HTH 550	Maternal and Child Health Services
HTH 570	Public Health Nursing
HTH 595	Health Resources Administration
HTH 610	Environmental Health Services

Health (continued)

HTH 710	State Laboratory Services
HTH 720	Med Facilities – Stds, Inspection, Licensing
HTH 730	Emergency Medical Services and Injury Prevention System
HTH 760	Health Status Monitoring
HTH 905	Policy Development and Advocacy for Developmental Disabilities
HTH 906	Comprehensive Health Planning
HTH 907	General Administration

Social Services

HTH 520	Planning Program Development and Coordination of Services for Persons with Disabilities
HTH 904	Executive Office on Aging

DEPARTMENT OF HEALTH

Department Summary

Mission Statement

To administer programs designed to protect, preserve, care for, and improve the physical and mental health of the people of the State.

Department Goals

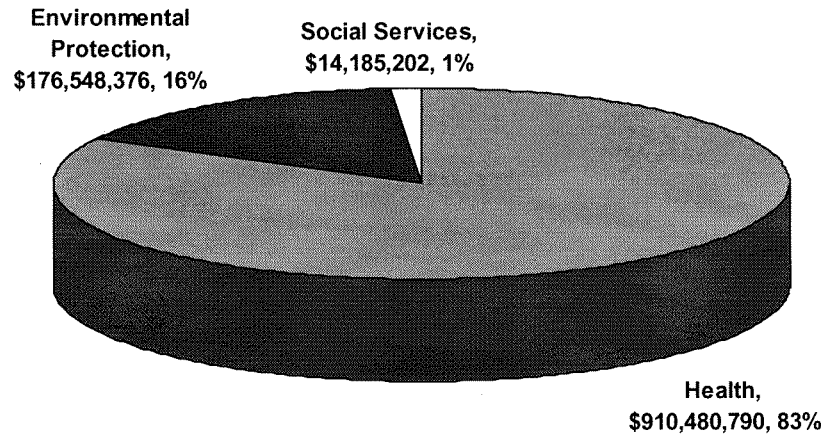
To monitor, protect and enhance the health of all people in Hawaii by providing leadership in assessment, policy development, and assurance to promote health and well-being, to preserve a clean, healthy and natural environment, and to assure basic health care for all.

Significant Measures of Effectiveness

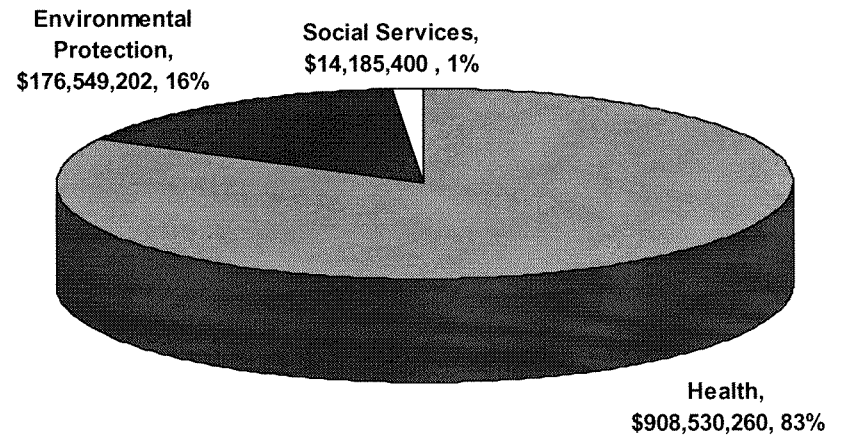
	FY 2006	FY 2007
1. Mortality rate (per thousands)	6.4	6.4
2. Average life span of residents (years)	79	79
3. Percentage of reported vaccine preventable diseases investigated	100%	100%

FB 2005-2007 Budget by Major Program

FY 2006



FY 2007



**Department of Health
(Operating Budget)**

		<u>FY 2005 Allocation</u>	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:	Positions	2,600.35	2,608.35	2,610.35
General Fund	\$	391,670,941	423,281,537	424,165,531
		2,902.45	2,902.45	2,902.45
Special Funds		424,245,614	470,845,488	468,215,488
		333.55	343.85	343.85
Federal Funds		102,715,041	103,623,296	103,419,796
		3.00	3.00	3.00
Interdepartmental Transfers		3,082,001	3,099,449	3,099,449
		62.40	63.40	63.40
Revolving Funds		100,241,961	100,364,598	100,364,598
		5,901.75	5,921.05	5,923.05
Total Requirements		<u>1,021,955,558</u>	<u>1,101,214,368</u>	<u>1,099,264,862</u>

Highlights of the Executive Biennium Budget Request:

1. Added general funds of \$3,134,427 and 8.00 positions in FY 06 and \$3,118,427 and 8.00 positions in FY 07 and special funds of \$9,460,589 in both years for community mental health centers and purchase of services for adult mental health.
2. Added general funds of \$7,219,382 in FY 06 and \$8,494,717 in FY 07 to meet state matching requirements under the Medicaid Home and Community Based Waiver for developmental disabilities.
3. Added general funds of \$2,808,755 in both years to fund additional collective bargaining requirements for emergency medical services employees.
4. Added general funds of \$1,000,000 in both years to fund aeromedical services for Maui County.
5. Added general funds of \$2,750,000 in both years to fund comprehensive medical and health care services for Molokai General Hospital, Kahuku Hospital on Oahu, and Hana Community Health Center on Maui.
6. Added general funds of \$1,700,000 in both years for primary care services for the uninsured.
7. Added general funds of \$3,090,000 in both years for community based substance abuse prevention services, adolescent school based prevention and residential treatment services .
8. Added special funds of \$46,485,091 and 6.00 temporary positions in FY 06 and \$43,855,091 and 6.00 temporary positions in FY 07 to reflect additional receipts and related positions.

Department of Health
(Capital Improvements Budget)

	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:		
General Obligation Bonds	14,274,000	9,989,000
Federal Funds	36,795,000	18,567,000
Total Requirements	<u><u>51,069,000</u></u>	<u><u>28,556,000</u></u>

Highlights of the Executive CIP Budget Request (general obligation bond funds ex

1. Provided \$2,053,000 and \$10,264,000 in federal funds in both years for wastewater projects capitalization grants.
2. Provided \$1,661,000 and \$8,303,000 in federal funds in both years for drinking water projects capitalization grants.
3. Provided \$645,000 in FY 06 and \$4,590,000 in FY 07 for improvements to Department of Health facilities, statewide.
4. Provided \$4,355,000 in FY 06 and \$410,000 in FY 07 for new facilities and improvements to Hawaii State Hospital, Oahu.
5. Provided \$5,560,000 in FY 06 and \$1,275,000 in FY 07 for various life safety projects for the Hawaii Health Systems Corporation (HHSC).
6. Provided \$18,228,000 in federal funds in FY 06 to establish a federal fund expenditure ceiling for HHSC's Hilo Veterans Home.

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DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT MAJOR FUNCTIONS

- Administers the State personnel program, provides administrative support services to statutorily and executively assigned commissions and boards, and represents the State on other commissions and committees
- Plans, organizes, directs and coordinates the various activities of the State personnel program in personnel development and training, recruitment, examination, position classification, pay administration, workers' compensation payments, and labor relations within the scope of laws, rules and established policies
- Develops and administers Classification and Compensation System(s) for Civil Service positions including the establishment and maintenance of classes and their experience and training requirements; the pricing of classes; and the assignment of positions to classes, bargaining units and other administrative units
- Establishes and maintains statewide policies, procedures, programs, and services that provide guidance and support to the line departments of the Executive Branch with regard to employee relations, employee benefits programs; reports on the workforce composition and employment trends; statewide employee training and development programs
- Plans and administers statewide (except for DOE and UH) workers' compensation program, claims management, Return to Work Priority Program, and a safety and accident prevention program
- Conducts statewide staffing and consultative advisory services, including Human Resources research and development projects to forecast, plan for and effectuate effective staffing strategies before staffing issues become acute or impact public services; implements strategies to attract and retain employees by competitively filling positions, and develops and administers a statewide recruitment program

MAJOR PROGRAM AREAS

The Department of Human Resources Development has a program in the following major program area:

Government-Wide Support

HRD 102 Department of Human Resources Development

DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT

Department Summary

Mission Statement

To provide timely and responsive leadership, resources, and services to fully support the State in the recruitment, management, and retention of a high-performing workforce.

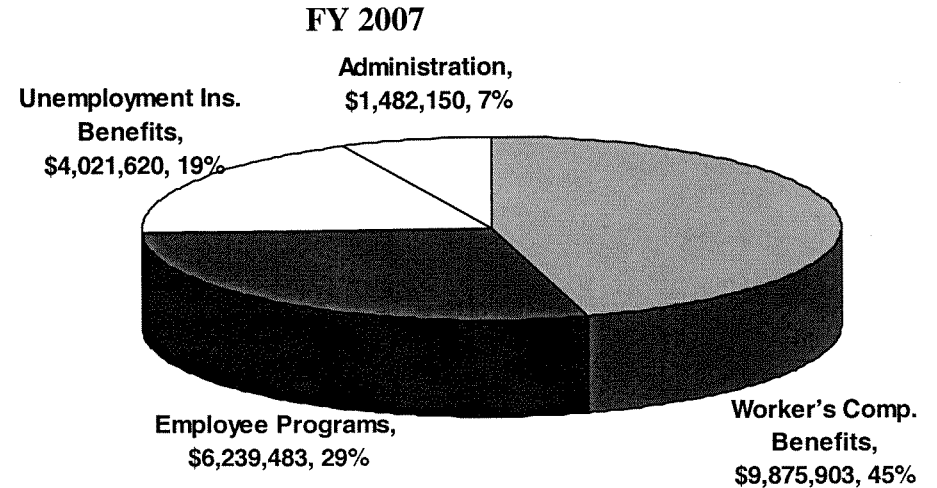
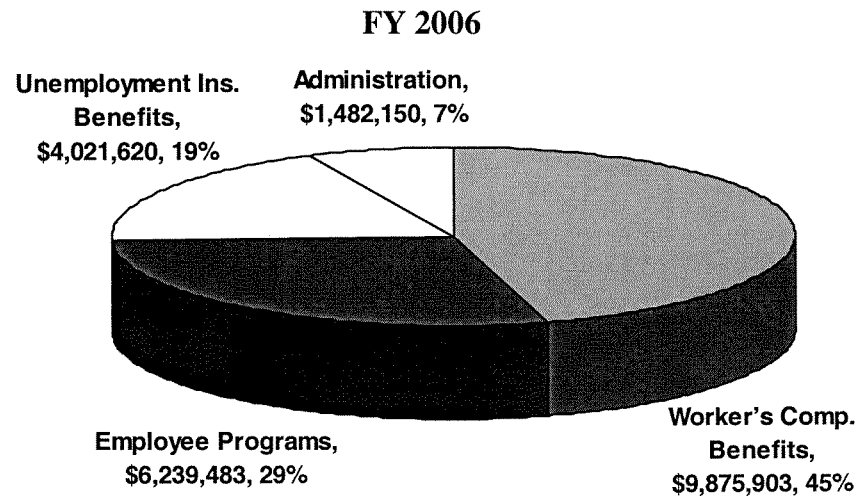
Department Goals

To maximize employee productivity and performance toward excellence in HRD; increase the effectiveness and efficiency of the State's Human Resources system to maximize productivity and performance toward excellence; and promote proactive State Workforce Planning.

Significant Measures of Effectiveness

	FY 2006	FY 2007
1. Average turnaround time to refer eligibles (days)	21	21
2. % of class actions for new and vacant positions completed in 3 months	95	95
3. % contract grievances settled without third party assistance	90	90

FB 2005-2007 Budget by Major Activity



**Department of Human Resources Development
(Operating Budget)**

		<u>FY 2005 Allocation</u>	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:	Positions	113.00	113.00	113.00
General Fund	\$	15,833,953	16,032,875	16,032,875
Special Funds		700,000	700,000	700,000
Interdepartmental Transfers		4,886,281	4,886,281	4,886,281
		113.00	113.00	113.00
Total Requirements		21,420,234	21,619,156	21,619,156

Highlights of the Executive Biennium Budget Request:

1. None

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DEPARTMENT OF HUMAN SERVICES MAJOR FUNCTIONS

- Provides employment related services, childcare services, and economic assistance to eligible families and individuals.
- Provides medical assistance programs to eligible families and individuals.
- Provides child welfare and adult and community care services to eligible families and individuals.
- Provides a continuum of prevention, rehabilitation and treatment services and programs for youth at risk.
- Serves as a catalyst to provide Hawaii residents with affordable housing and shelter.
- Administers programs of vocational rehabilitation, independent living rehabilitation, services for the blind, and disability determination.

MAJOR PROGRAM AREAS

The Department of Human Services has programs in the following major program areas:

Social Services		HMS 230	Health Care Payments	HMS 601	Adult and Community Care Services
HMS 201	Temp Assistance to Needy Families	HMS 231	Rental Housing Trust Fund		
		HMS 236	Eligibility Determination and Employment Related Services	HMS 603	Home and Community-Based Care Services
HMS 202	Payments to Assist the Aged, Blind and Disabled			HMS 605	Community-Based Residential Support
HMS 203	Temp Assistance to Other Needy Families	HMS 237	Employment and Training		
		HMS 238	Disability Determination	HMS 807	Teacher Housing
HMS 204	General Assistance Payments	HMS 245	Quest Health Care Payments	HMS 901	General Support for Social Services
HMS 206	Federal Assistance Payments	HMS 301	Child Welfare Services		
HMS 220	Rental Housing Services	HMS 302	Child Care Services	HMS 902	General Support for Health Care Payments
HMS 222	Rental Assistance Services	HMS 303	Child Out-of-Home Payments		
HMS 223	Broadened Homesite Ownership			HMS 903	General Support for Benefit, Employment and Support Services
		HMS 305	Child Care Payments		
HMS 224	Homeless Services	HMS 501	Youth Services Administration	HMS 904	General Administration
HMS 225	Private Housing Development and Ownership				
		HMS 502	Youth Services Programs		
HMS 227	Housing Finance	HMS 503	Youth Residential Programs	Employment	
HMS 229	HCDCH Administration			HMS 802	Vocational Rehabilitation

DEPARTMENT OF HUMAN SERVICES

Department Summary

Mission Statement

To empower those who are the most vulnerable in our State to expand their capacity for self-sufficiency, self-determination, independence, healthy choices, quality of life, and personal dignity.

Department Goals

Customers First

Accountability for Outcomes

Personal Responsibility for Actions

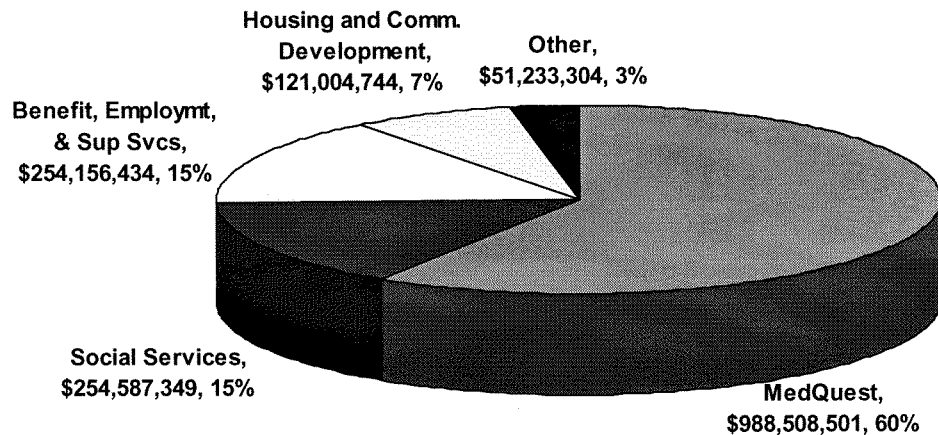
Partnering to Create Opportunities

Significant Measures of Effectiveness

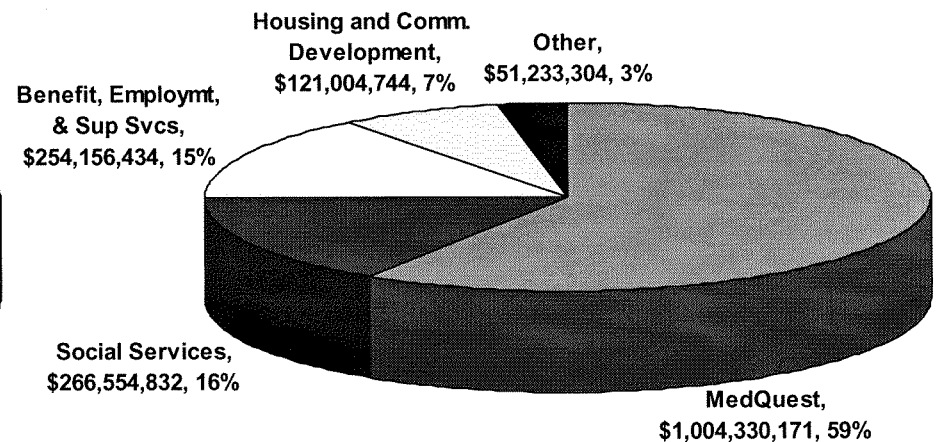
	FY 2006	FY 2007
1. % Temporary Assistance to Needy Families recipients in work program exiting due to earn:	15	15
2. % QUEST members satisfied with the managed care health program	88	88
3. % dependent adults with Adult Protective Services not reabused or neglected	95	95

FB 2005-2007 Budget by Major Activity

FY 2006



FY 2007



**Department of Human Services
(Operating Budget)**

		<u>FY 2005 Allocation</u>	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:	Positions	1,218.09	1,245.34	1,245.34
General Fund	\$	613,215,707	649,912,615	663,974,310
Special Funds		450,000	450,000	450,000
		1,010.41	1,040.16	1,040.16
Federal Funds		898,339,336	949,532,911	961,985,034
Private Contributions		10,000	10,000	10,000
Trust Funds		14,008,563	14,008,563	14,008,563
		0.50	0.50	0.50
Interdepartmental Transfers		34,431,063	43,430,874	44,705,609
		54.00	62.00	62.00
Revolving Funds		11,510,860	12,145,369	12,145,969
		2,283.00	2,348.00	2,348.00
Total Requirements		<u>1,571,965,529</u>	<u>1,669,490,332</u>	<u>1,697,279,485</u>

Highlights of the Executive Biennium Budget Request:

1. Provided \$25,865,053 for FY 06 and \$25,974,434 for FY 07 in general funds and \$29,483,223 for FY 06 and \$22,483,883 for FY 07 in federal funds for the Medicaid fee-for-service program. Additional funds are needed to cover projected increases for inpatient hospital, nursing home, and prescription drug costs for aged, blind, and disabled clients. (Entitlements)
2. Provided \$2,284,893 for FY 06 and \$10,159,412 for FY 07 in general funds and \$5,250,000 for FY 06 and \$20,087,110 for FY 07 for the QUEST managed care health program. (Entitlements)
3. Provided \$3,036,325 for FY 06 and \$3,630,394 for FY 07 in general funds and \$12,044,673 for FY 06 and \$14,549,830 for FY 07 in federal funds for the home and community based care services program (Medicaid waiver). (Entitlements)
4. Provided \$3,080,963 for FY 06 and \$7,988,923 for FY 07 in general funds and \$2,102,362 for FY 06 and \$4,211,558 for FY 07 in federal funds for the child out-of-home payment (foster care) program. (Entitlements)

Department of Human Services
(Capital Improvements Budget)

	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:		
General Obligation Bonds	13,500,000	12,000,000
Total Requirements	<u>13,500,000</u>	<u>12,000,000</u>

Highlights of the Executive CIP Budget Request (general obligation bond funds):

1. Provided \$1,500,000 in FY 06 for infrastructure improvements and repairs at the Hawaii Youth Correctional Facility.
2. Provided \$2,000,000 in FY 06 and FY 07 for public housing cesspool replacement.
3. Provided \$10,000,000 in FY 06 and FY 07 for public housing repairs and renovations.

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS MAJOR FUNCTIONS

- Administers federal and state programs designed to improve the economic security, occupational safety and health, working conditions, and productivity of workers, and maintain favorable labor-management relationships throughout the State.
- Administers comprehensive employment and training services to both job seekers and employers through a system of employment offices located statewide.
- Administers the State Unemployment Insurance program. Ensures that fair hearings before impartial appeals referees are provided to employers and claimants with respect to determinations made by the department regarding unemployment insurance benefits, disaster unemployment insurance, and other security decisions.
- Administers and enforces that State's occupational safety and health laws.
- Administers all activities pertinent to the management of the Workers' Compensation, Temporary Disability Insurance, and Prepaid Health Care laws and programs.
- Administers and enforces State labor laws dealing with wages and other compensation, hours, child labor, family leave, and related rules and regulations.
- Conducts program, labor market, and economic research to augment and enhance management decisions and policy making capabilities

MAJOR PROGRAM AREAS

The Department of Labor and Industrial Relations has programs in the following major program area:

Employment

LBR 111	Placement Services	LBR 183	Disability Compensation
LBR 135	Workforce Development Council	LBR 812	Labor and Industrial Relations Appeals Board
LBR 143	Occupational Safety and Health	LBR 901	DLIR-Data Gathering, Research and Analysis
LBR 152	Wage Standard and Fair Employment Practices	LBR 902	General Administration
LBR 153	Civil Rights Commission	LBR 903	Office of Community Services
LBR 161	Public and Private Employment		
LBR 171	Unemployment Compensation		

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

Department Summary

Mission Statement

To increase the economic security, physical and economic well being and productivity of workers and achieve industrial peace.

Department Goals

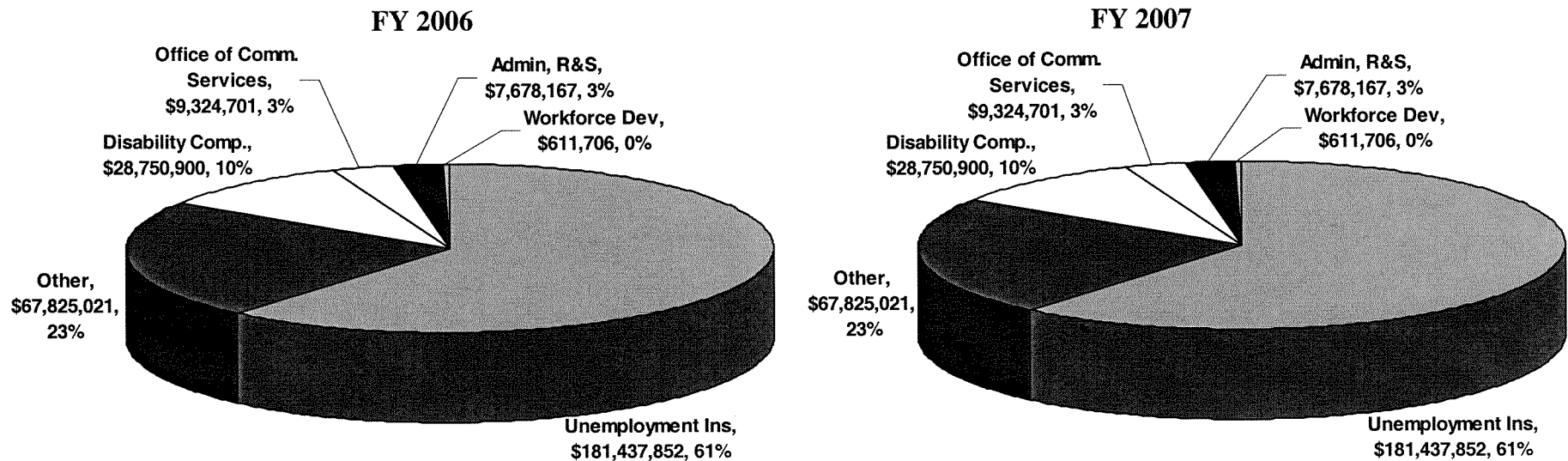
To promote access to employment and assess the needs and skills of the workforce; to alleviate the economic hardship of workers during periods of disability or temporary unemployment; to protect the employment rights of workers and to assure a safe and healthy workplace; to develop, deliver and coordinate information to meet labor market supply and demand; and to promote the harmonious working relationship between business, labor, educators, and government agencies.

Significant Measures of Effectiveness

1. Job applicants served as a percentage of total registered
2. Accident, injury/illness rate per 100 employees
3. Percentage of subject employers in compliance with Workers' Compensation, Temporary Disability Insurance, and Prepaid Health Care laws

FY 2006	FY 2007
100	100
6	6
90	90

FB 2005-2007 Budget by Major Activity



Department of Labor & Industrial Relations
(Operating Budget)

		<u>FY 2005 Allocation</u>	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:	Positions	257.14	258.64	258.64
General Fund	\$	15,549,662	16,755,725	16,755,725
		4.00	4.00	4.00
Special Funds		200,035,269	197,079,890	197,079,890
		410.65	433.60	433.60
Federal Funds		77,022,358	78,122,077	78,122,077
Interdepartmental Transfers		1,446,052	3,620,655	3,620,655
Revolving Funds		-	50,000	50,000
		671.79	696.24	696.24
Total Requirements		<u>294,053,341</u>	<u>295,628,347</u>	<u>295,628,347</u>

Highlights of the Executive Biennium Budget Request:

1. Added general funds of \$800,000 in both years for the Office of Community Services to provide services to assist disadvantaged persons, immigrants, and refugees.
2. Added general funds of \$74,214 and 1.50 permanent positions, federal funds of \$779,919 and 21.45 permanent and 3.00 temporary positions; and special funds of \$69,269 and 2.00 temporary positions in both years to continue funding of positions authorized under Act 154, SLH 2004.
3. Added federal funds of \$68,544 and 1.50 permanent positions in both years to support the investigation and prosecution of discrimination complaints.
4. Added interdepartmental funds of \$1,310,604 and 21 temporary positions in both years to fund a statewide project for development and placement services for non-custodial parents of children whose custodial parents receive benefits under the Department of Human Services' Temporary Assistance to Needy Families program.

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DEPARTMENT OF LAND AND NATURAL RESOURCES

MAJOR FUNCTIONS

- Implement programs to conserve, protect, develop and utilize the State's natural and cultural resources.
- Preserve and enhance native and indigenous fish and other aquatic species and their habitats for residents and visitors.
- Promote the safe and responsible use of Hawaii's natural resources through firm, fair and effective law enforcement.
- Provide accurate, timely and permanent system of registering and recording land title and related documents and maps.
- Manage the conservation, protection, planning, and utilization of the State's water resources for social, economic and environmental requirements.
- Provide safe and enjoyable recreation opportunities.
- Develop and maintain a comprehensive program of historic preservation to promote the use and conservation of historical and cultural sites.
- Collects and disseminates data relating to natural resources. Cooperates and partners with public and private agencies to maximize funding leverage.

MAJOR PROGRAM AREAS

The Department of Land and Natural Resources has programs in the following major program areas:

Economic Development

LNR 141 Water and Land Development and
Management

Environmental Protection

LNR 401 Aquatic Resources and Management
LNR 402 Forests and Wildlife Resources and
Management
LNR 404 Water Resources
LNR 405 Conservation and Resources Enforcement
LNR 906 LNR-Natural Physical Environment

Culture and Recreation

LNR 801 Ocean-Based Recreation
LNR 802 Historic Preservation
LNR 806 State Parks Operation and Management

Individual Rights

LNR 111 Conveyances and Recordings

Government-Wide Support

LNR 101 Public Lands Management

DEPARTMENT OF LAND AND NATURAL RESOURCES

Department Summary

Mission Statement

To conserve, protect, and manage Hawaii's natural and cultural resources for the benefit of present and future generations.

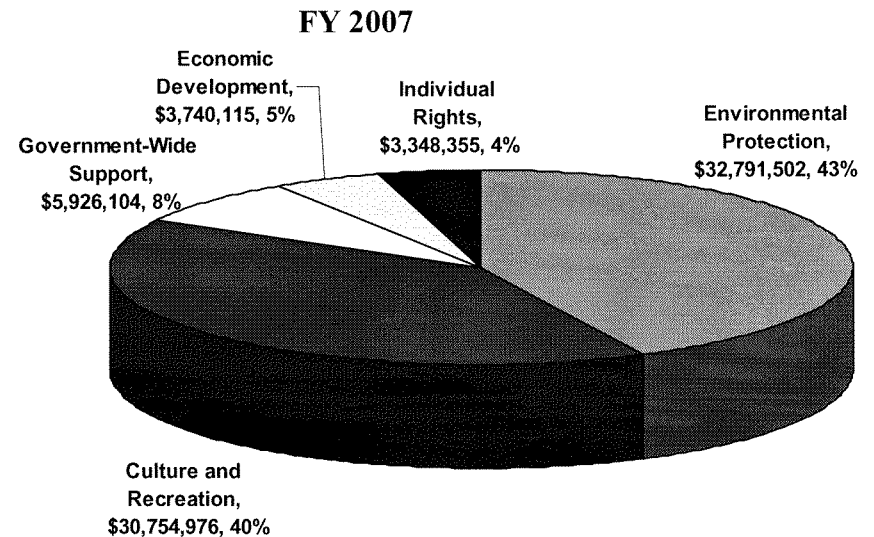
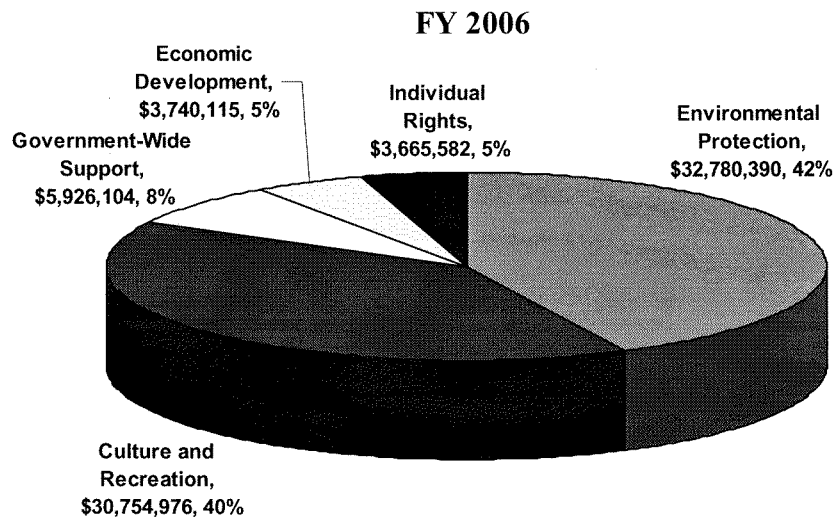
Department Goals

To seek, develop and implement cost-effective strategies for the long-term sustainable management, maintenance, protection and utilization of existing and potential, ocean, land, natural and cultural resources of the State of Hawaii in an integrated manner and in partnership with others from the public and private sectors. Additionally, prevent the establishment of invasive species detrimental to native habitats, while promoting responsible use, understanding, and respect for Hawaii's resources.

Significant Measures of Effectiveness

	FY 2006	FY 2007
1. Total revenues generated by land transactions and amount transferred to OHA (\$000)	15,358	15,414
2. Watershed partnerships under active management (acres)	297,500	452,250
3. No. of Capital Improvement Projects completed for State Parks and Boating program	45	35

FB 2005-2007 Budget by Major Program



Department of Land & Natural Resources
(Operating Budget)

		<u>FY 2005 Allocation</u>	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:	Positions	417.10	426.10	426.10
General Fund	\$	24,273,010	26,666,467	26,666,467
		230.50	241.50	241.50
Special Funds		37,435,303	39,196,937	38,890,822
		15.40	16.40	16.40
Federal Funds		10,205,503	10,292,924	10,292,924
		1.00	1.00	1.00
Revolving Funds		684,660	710,839	710,839
		664.00	685.00	685.00
Total Requirements		<u>72,598,476</u>	<u>76,867,167</u>	<u>76,561,052</u>

Highlights of the Executive Biennium Budget Request:

1. Continued funding the Hawaii Invasive Species Program at \$4,000,000 (added \$1,000,000 general funds and \$3,000,000 is provided in the base).
2. Converted 4.00 CIP project funded positions to general funds at \$213,973 per year.
3. Provided \$977,000 (\$201,000 in general and \$776,000 in State Parks Special Funds) for parks maintenance services.
4. Provided \$317,227 in Bureau of Conveyances Special Fund authorization in FY 06 to allow the Bureau to pay central services costs accumulated since FY 03.
5. Restored 5 permanent and 2 temporary general funded positions and 9 permanent special funded positions deleted by Act 41, SLH 2004, for conservation enforcement, aquatic resource, boating and administration programs.

Department of Land & Natural Resources
(Capital Improvements Budget)

	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:		
General Obligation Bonds	21,929,000	12,046,000
G. O. Bonds Repaid	10,000,000	10,000,000
Federal Funds	12,220,000	
County Funds	350,000	
Total Requirements	<u>44,499,000</u>	<u>22,046,000</u>

Highlights of the Executive CIP Budget Request:

1. Provided general obligation bonds of \$1,999,000 in FY 06 and \$2,0456,000 in FY 07 for CIP staff costs.
2. Provided \$10,000,000 in general obligation bonds in each year for state park facility improvements.
3. Provided \$3,280,000 in general obligation and \$11,520,000 in federal funds in FY 05 for ferry system improvements for Maalaea, Manele, and Lahaina Small Boat Harbors.
4. Provided \$4,000,000 in general obligation bond funds in FY 06 to complete Americans with Disabilities Assistance projects for DLNR facilities, statewide.
5. Provided \$2,300,000 in general obligation bond funds in FY 06 for Kuhio Beach Improvements.
6. Provided \$10,000,000 in reimbursable general obligation bond funds each year for harbor facilities improvements statewide.
7. Provided \$350,000 in general obligation, \$350,000 in county funds, and \$700,000 in federal funds for the Ala Wai Watershed Flood Study, in FY 06 to alleviate future flood damage.

OFFICE OF THE LIEUTENANT GOVERNOR MAJOR FUNCTIONS

- Exercise the executive powers whenever the Governor is absent from the State or unable to exercise and discharge the powers and duties of the office; serve as the Secretary of State for intergovernmental relations; and provide administrative support to the Office of Information Practices and the Hawaii State Commission on the Status of Women.
- Perform duties and undertake projects assigned by the Governor. Currently, these duties include public safety issues, Hawaii Drug Control Strategic Plan, Native Hawaiian issues, and economic development.
- Provide general advice and guidance to agencies and the public on the UIPA and the Sunshine Law; assist the public in obtaining records and responses to record requests; conduct inquiries into an agency's compliance with the UIPA and the Sunshine Law; and investigate alleged violations of these laws.
- Inform governmental and nongovernmental agencies and the public of women's rights, opportunities, and responsibilities; support the enactment or revision of laws and policies that eliminate discrimination against women; and sponsor seminars, workshops, and conferences that help improve the status of women.

MAJOR PROGRAM AREAS

The Office of the Lieutenant Governor has programs in the following major program areas:

Individual Rights

LTG 105 Enforcement of Information Practices
LTG 888 Commission on the Status of Women

Government-Wide Support

LTG 100 Office of the Lieutenant Governor

OFFICE OF THE LIEUTENANT GOVERNOR

Department Summary

Mission Statement

To enhance the efficiency and effectiveness of state programs by providing leadership and executive management.

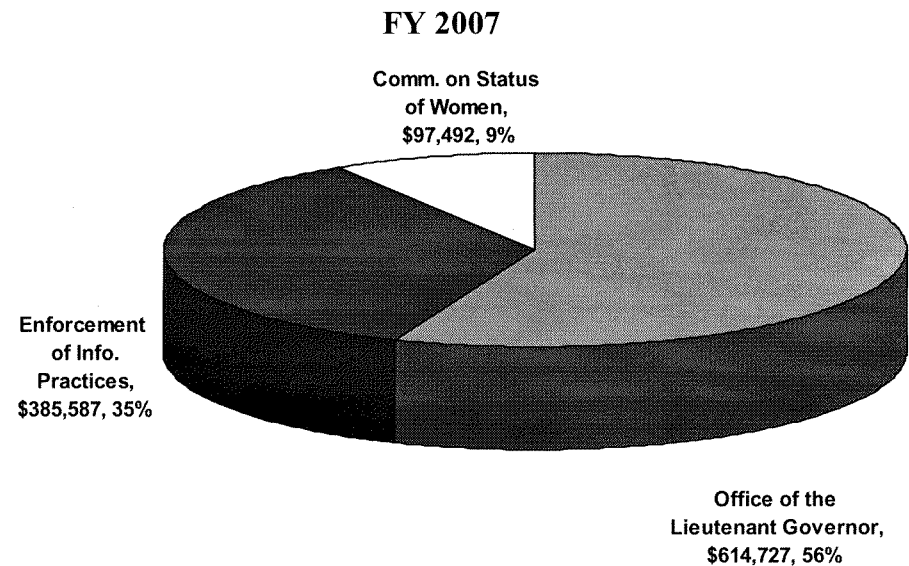
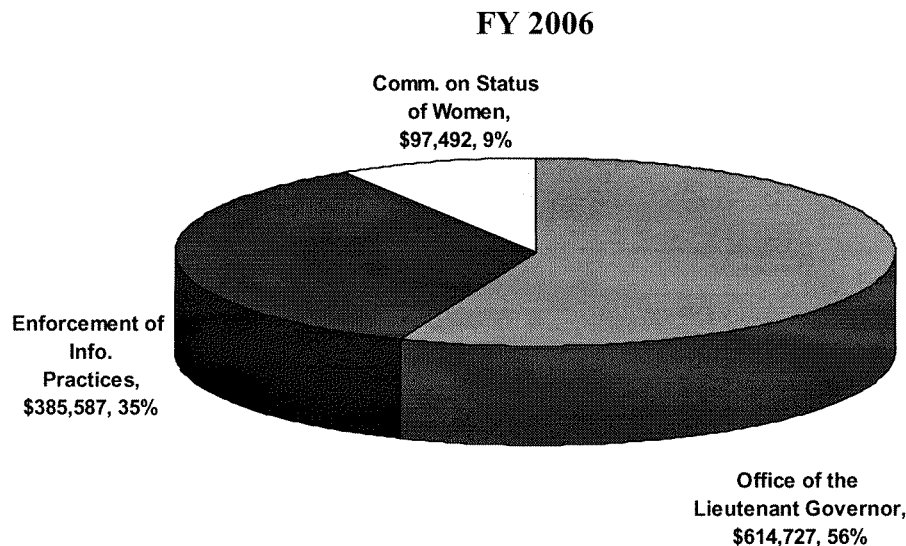
Department Goals

To provide effective leadership and executive management; protect the public's interest by ensuring that government processes are open; and assure women full and equal coverage under the law.

Significant Measures of Effectiveness

	FY 2006	FY 2007
1. Total revenue from sales as a percentage of cost of publication	80	80
2. Number of requests for general guidance (attorney of the day)	700	700
3. Number of laws regarding women's issues enacted/revised as a percentage advocated	20	20

FB 2005-2007 Budget by Major Activity



**Office of the Lieutenant Governor
(Operating Budget)**

		<u>FY 2005 Allocation</u>	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:	Positions	9.00	9.00	9.00
General Fund	\$	995,325	1,097,806	1,097,806
	Positions			
Other Funds	\$			
		9.00	9.00	9.00
Total Requirements		<u>995,325</u>	<u>1,097,806</u>	<u>1,097,806</u>

Highlights of the Executive Biennium Budget Request:

1. Restored general funds of \$95,639 and one position count each year for the Hawaii State Commission on the Status of Women.
2. Added \$25,000 in general funds each year to allow a Staff Attorney position at the Office of Information Practices to be filled on a full-time basis.

DEPARTMENT OF PUBLIC SAFETY MAJOR FUNCTIONS

- Administers various public safety programs that are designed to prevent and deter criminal acts, and to incarcerate and rehabilitate criminal offenders.
- Administers the operations of the eight correctional institutions throughout the State for the custody and care of offenders detained or committed by the courts to the department in a safe, clean, and humane conditions of confinement.
- Provides a continuum of treatment programs and services to facilitate the reintegration of offenders back into the community.
- Administers a correctional industries program that employs inmates in work programs that produce goods and services for government agencies and nonprofit organizations, and affords inmates job training and work experience to enhance their employment prospects when they return to the community.
- Determines minimum terms of imprisonment for convicted felons; grants conditional release of felons from institutions under conditions of parole; and reports on petitions for pardon referred by the Governor.
- Administers diversionary programs as well as alternatives to incarceration; conducts pretrial investigations and bail evaluations; and supervises offenders conditionally released by the courts.
- Administers statewide law enforcement programs that protect the public as well as safeguard State property and facilities; enforces laws, rules, and regulations to prevent and control crime; and provides law enforcement services at the Honolulu International Airport.
- Regulates the manufacture, distribution, sale, prescription, and dispensing of controlled substances in the State by issuing applications and permits to conduct transactions; and investigates and enforces laws, rules and regulations relative to controlled substances.
- Mitigates the suffering and losses of victims and survivors of certain crimes by providing them with compensation for crime related losses; and, compensates private citizens (Good Samaritans) who suffer personal injury or property damage in the course of preventing a crime or apprehending a criminal.

MAJOR PROGRAM AREAS

The Department of Public Safety has programs in the following major program area:

Public Safety

Corrections

PSD 402	Halawa Correctional Facility
PSD 403	Kulani Correctional Facility
PSD 404	Waiawa Correctional Facility
PSD 405	Hawaii Community Correctional Center
PSD 406	Maui Community Correctional Center
PSD 407	Oahu Community Correctional Center
PSD 408	Kauai Community Correctional Center
PSD 409	Women's Community Correctional Center
PSD 410	Intake Service Centers
PSD 420	Corrections Program Services
PSD 421	Health Care

Law Enforcement

PSD 502	Narcotics Enforcement
PSD 503	Sheriff

Other

PSD 611	Adult Parole Determinations
PSD 612	Adult Parole Supervision and Counseling
PSD 613	Crime Victim Compensation Commission
PSD 900	General Administration

DEPARTMENT OF PUBLIC SAFETY

Department Summary

Mission Statement

To provide for the safety of the public and State facilities through law enforcement and correctional management.

Department Goals

To protect the individual and property from injury and loss caused by criminal actions by providing and coordinating services, facilities, security, and legislation to preserve the peace; to prevent and deter crimes; to detect, apprehend, detain, and rehabilitate criminals; and, where appropriate, to compensate victims of crime.

Significant Measures of Effectiveness

1. Number of arrests made by departmental law enforcement officers
2. Number of escapes from confinement facilities
3. Number of parole violators returned to prison

FY 2006 FY 2007

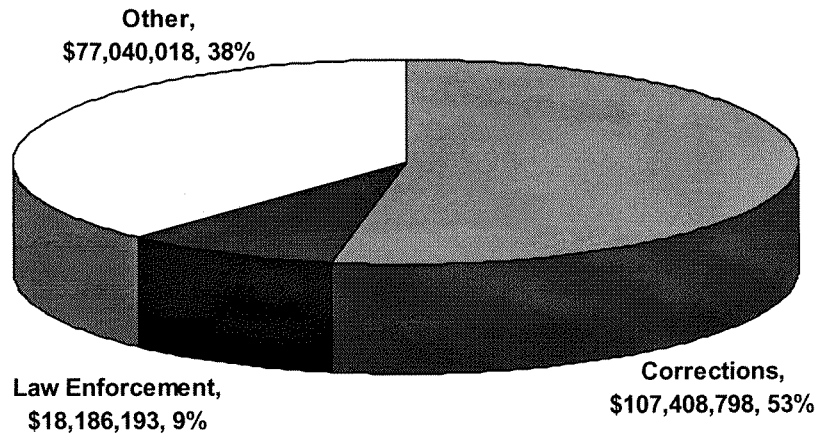
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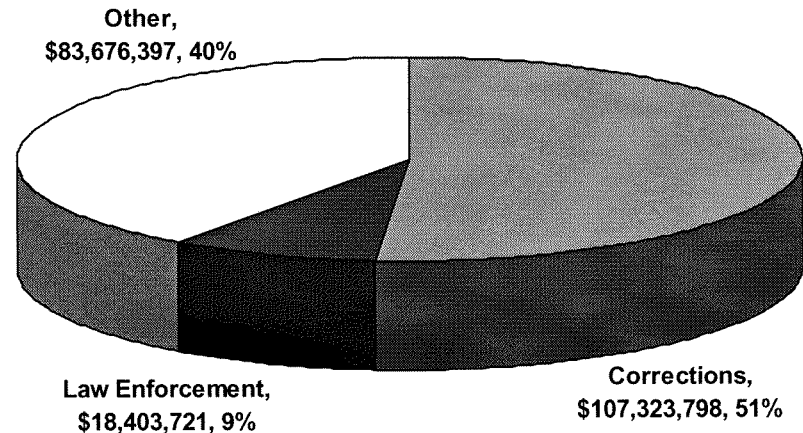
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FB 2005-2007 Budget by Major Activity

FY 2006



FY 2007



**Department of Public Safety
(Operating Budget)**

		<u>FY 2005 Allocation</u>	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:	Positions	2,437.20	2,457.20	2,457.20
General Fund	\$	165,545,676	183,502,003	190,340,910
		6.00	7.00	7.00
Special Funds		2,382,117	2,435,074	2,435,074
		7.00	7.00	7.00
Federal Funds		1,406,057	1,413,336	1,413,336
County Funds		200,000	200,000	200,000
Trust Funds		75,065	75,065	75,065
		72.00	72.00	72.00
Interdepartmental Transfers		5,564,666	6,056,303	6,056,303
		14.00	15.00	15.00
Revolving Funds		8,394,877	8,210,248	8,140,248
Other Funds		742,980	742,980	742,980
		2,536.20	2,558.20	2,558.20
Total Requirements		184,311,438	202,635,009	209,403,916

Highlights of the Executive Biennium Budget Request: (general funds unless noted)

1. Added \$10,231,770 in FY 06 and \$16,730,771 in FY 07 for additional mainland contract beds; includes relocation of inmates for Halawa Life Safety Code renovation.
2. Added \$4,429,231 in FY 06 and \$4,599,195 in FY 07 for 140 additional contract beds in the Federal Detention Center; includes transport costs.
3. Added 18.00 positions and \$566,230 in FY 06 and \$851,604 in FY 07 for Deputy Sheriff positions for Hawaii, Maui, and Oahu courts.
4. Added \$250,240 in FY 06 and \$180,240 in FY 07 for urinalysis testing and computerized analyzers to increase testing from 5% to 20% of inmates annually.
5. Added 1.00 Personnel Management Specialist V and \$43,122 in FY 06 and \$51,816 in FY 07 for substance abuse testing, and \$186,000 in each year for arbitration costs.

**Department of Public Safety
(Capital Improvements Budget)**

	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:		
General Obligation Bonds	8,382,000	3,500,000
Total Requirements	<u>8,382,000</u>	<u>3,500,000</u>

Highlights of the Executive CIP Budget Request (general obligation bond funds):

1. Provided \$500,000 in FY 06 for plans and project management for a new West Hawaii Regional Community Correctional Center.
2. Provided \$5,000,000 in FY 06 and \$3,500,000 in FY 07 for correctional facility improvements, statewide.
3. Provided \$2,882,000 in FY 06 for completion of life safety code improvements and reroofing of the Halawa Medium Security Facility.

DEPARTMENT OF TAXATION MAJOR FUNCTIONS

- Administers and enforces the tax laws of Hawaii and the collection of taxes and other payments.
- Coordinates a centralized system for receiving and processing of all tax returns, payments and documents.
- Provides one-stop customer service, assistance and information on all taxes administered by the department to customers who walk in, call-in, correspond or e-mail.
- Administers a comprehensive and uniform compliance program based on self-assessment and voluntary compliance.
- Conducts audits and investigations of all types of tax returns.
- Conducts and enforces collection of delinquent taxes by appropriate collection procedures.
- Plans, organizes and coordinates a tax research and tax planning program.
- Provides administrative and research support to the Council on Revenues which prepares revenue estimates for the State on a quarterly basis.

MAJOR PROGRAM AREAS

The Department of Taxation has programs in the following major program area:

Government-Wide Support

TAX 102	Income Assessment and Audit
TAX 103	Tax Collections Enforcement
TAX 105	Tax Services and Processing
TAX 107	Supporting Services – Revenue Collection

DEPARTMENT OF TAXATION

Department Summary

Mission Statement

To administer the tax laws of the State of Hawaii in a consistent, uniform and fair manner by educating taxpayers on tax laws, by developing a professional staff and by using technology to increase efficiency and effectiveness.

Department Goals

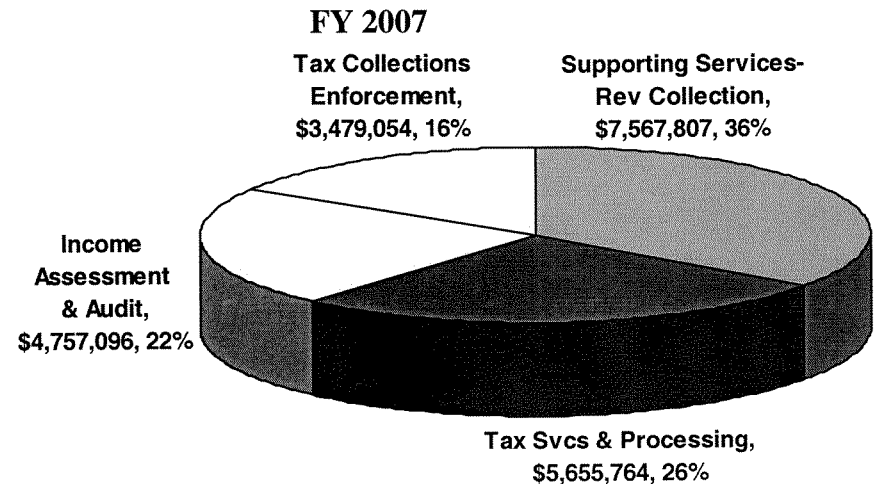
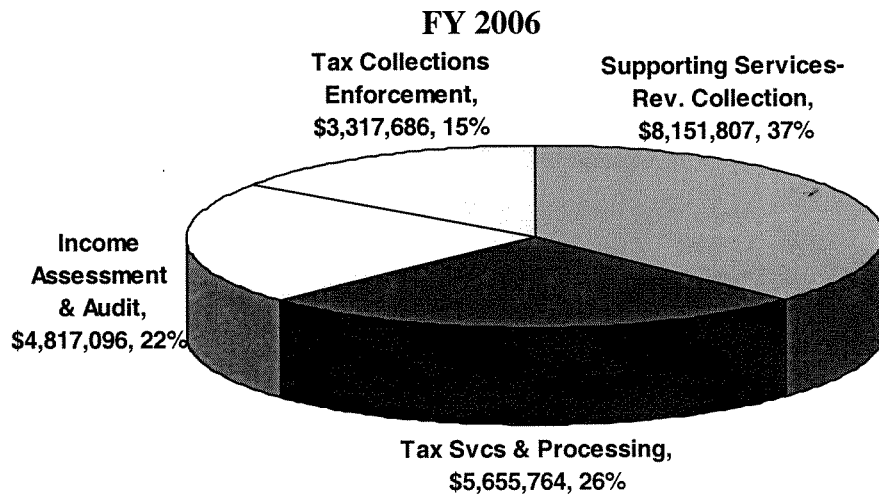
To provide one-stop customer service; to increase collection capabilities through efficient allocation of resources; to simplify taxpayer filings, provide a more user-friendly interface with the public, speed up refunds and expedite delinquent referrals; to automate tax filings, billings and collections; to expand capacity for research and revenue analysis; to permit more flexibility in accommodating tax law changes and initiatives to improve tax administration.

Significant Measures of Effectiveness

1. Average number of days to issue refund check
2. Percent of tax returns audited resulting in adjustments
3. Percent of delinquent taxes collected

FY 2006	FY 2007
30	30
80	80
50	50

FB 2005-2007 Budget by Major Activity



**Department of Taxation
(Operating Budget)**

		<u>FY 2005 Allocation</u>	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:	Positions	332.00	361.50	367.50
General Fund	\$	18,636,923	21,690,353	21,207,721
Special Funds		1,494,252	252,000	252,000
		332.00	361.50	367.50
Total Requirements		20,131,175	21,942,353	21,459,721

Highlights of the Executive Biennium Budget Request:

1. Added 26 positions and general funds of \$984,200 in FY 06 and 32 positions and \$1,085,568 in FY 07 for the department's revenue enhancement program to expand audit and collection activities.
2. Added 3 position counts to convert 3 temporary positions to permanent in the Information Technology Services Office (ITSO) and System Administration Office.
3. Added half a position count to converted a half-time position to full time in the Tax Services and Processing Division.
4. Added general funds of \$1,456,000 in FY 06 and \$1,092,000 in FY 07 for production support of the department's Integrated Tax Information Management System (ITIMS).
5. Added general funds of \$220,000 in FY 06 for the Tax Review Commission.

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DEPARTMENT OF TRANSPORTATION MAJOR FUNCTIONS

- Carries out programs to improve, maintain, and operate transportation facilities of the State
- Administers the operations of the airports program of the State government by equipping, regulating and protecting the state system of public airports and related facilities. Plans, designs, develops, acquires, and constructs new and expanded airports and facilities as well as reconstructs existing airports and facilities.
- Plans, designs, and supervises the construction and maintenance of the State Highway System. Alters, modifies, or revises such highway system as maybe required.
- Administers and maintains the operations of the harbors program of the State government by equipping, regulating, and protecting the State system of harbors and related facilities. Plans, develops, acquires, and constructs new and expanding harbors and facilities as well as maintaining and reconstructing existing harbors and facilities.
- Provides for the determination of statewide transportation needs, the continuous survey and inventory of planned resources, and the creation of statewide, inter and multi modal transportation systems network plans
- Encourages, fosters and assists in the development of aeronautical, water, and land transportation in the State; and provides for the protection and promotion of safety in aeronautics and water transportation.
- Plans, reviews, implements a comprehensive uniform state highway safety program to comply with applicable federal and state laws.
- Statutory and administrative oversight of the Commission on Transportation, Highway Safety Council and the Medical Advisory Board.

MAJOR PROGRAM AREAS

The Department of Transportation has programs in the following major program area:

Transportation Facilities and Services

Airports

TRN 102	Honolulu International Airport
TRN 104	General Aviation

TRN 111	Hilo International Airport
TRN 114	Kona International Airport at Ke'ahole
TRN 116	Waimea-Kohala Airport
TRN 118	Upolu Airport

Airports (cont.)

TRN 131	Kahului Airport
TRN 133	Hana Airport
TRN 135	Kapalua Airport
TRN 141	Molokai Airport
TRN 143	Kalaupapa Airport
TRN 151	Lanai Airport
TRN 161	Lihue Airport
TRN 163	Port Allen Airport
TRN 195	Airports Administration

Harbors

TRN 301	Honolulu Harbor
TRN 303	Kalaeloa Barbers Point Harbor
TRN 305	Kewalo Basin
TRN 311	Hilo Harbor
TRN 313	Kawaihae Harbor
TRN 331	Kahului Harbor
TRN 341	Kaunakakai Harbor
TRN 351	Kaumalapau Harbor
TRN 361	Nawiliwili Harbor
TRN 363	Port Allen Harbor
TRN 395	Harbors Administration

Highways

TRN 501	Oahu Highways
TRN 511	Hawaii Highways
TRN 531	Maui Highways
TRN 541	Molokai Highways
TRN 551	Lanai Highways
TRN 561	Kauai Highways
TRN 595	Highways Administration
TRN 597	Highways Safety

Administration

TRN 995	General Administration
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DEPARTMENT OF TRANSPORTATION

Department Summary

Mission Statement

To provide a safe, efficient, accessible, and inter-modal transportation system that ensures the mobility of people and goods, and enhances and/or preserves economic prosperity and the quality of life.

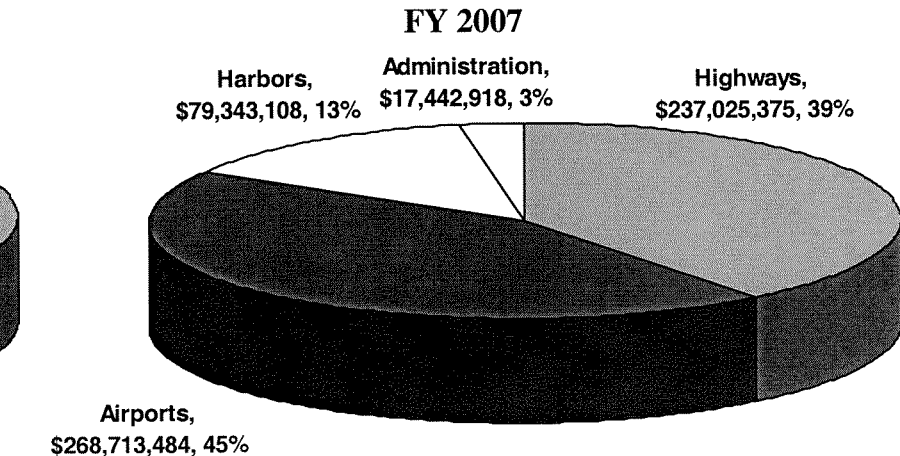
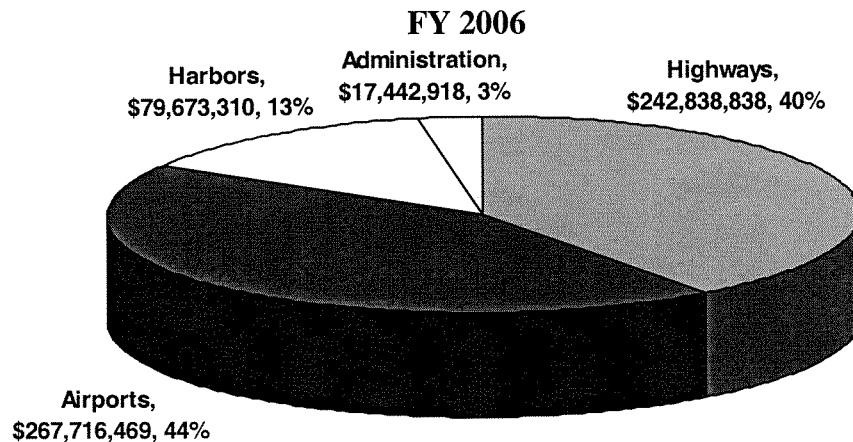
Department Goals

Achieve an integrated multi-modal transportation system that provides mobility and accessibility for people and goods; ensure the safety and security of the air, land and water transportation systems; protect and enhance Hawaii's unique environment and improve the quality of life; support Hawaii's economic vitality; and implement a statewide planning process that is comprehensive, cooperative and continuing.

Significant Measures of Effectiveness

1. Safety, Certification, Security - Number of safety related injuries to airport employees, traveling public, etc.
2. Number of security related breaches due to the airports, tenants, and the airlines
3. The percentage increase in the annual revenues generated by the Harbors Division. The Harbors Division standard is to generate an increase of 2% in rental income from Harbors land or facilities of the Harbors Division over the preceding year.
4. Maintenance costs per 10-lane mile

FB 2005-2007 Budget by Division



Department of Transportation
(Operating Budget)

		<u>FY 2005 Allocation</u>	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:	Positions	2,121.00	2,536.00	2,536.00
Special Funds	\$	576,866,874	580,269,415	578,458,484
		9.00	9.00	9.00
Federal Funds		18,291,298	27,289,620	23,953,901
Private Contributions		112,500	112,500	112,500
		2,130.00	2,545.00	2,545.00
Total Requirements		<u>595,270,672</u>	<u>607,671,535</u>	<u>602,524,885</u>

Highlights of the Executive Biennium Budget Request:

Airports

- 1 Converted 22 CIP project funded positions to Operating budget, FY 06; FY 07 \$2.2 million
- 2 Reduced debt service FY 06; FY 07 \$55 million for defeasance of bonds

Highways

- 1 Converted 366 CIP project funded positions to Operating budget, FY 06; FY 07 \$18.6 million special funds; \$5.8 federal funds
- 2 Increased special maintenance for Oahu FY 06 \$14.5 million; FY 07 \$6.9 million
- 3 Increased special maintenance for Hawaii FY 06 \$4.5 million; FY 07 \$6.0 million
- 4 Increased special maintenance for Maui FY 06 \$1.7 million; FY 07 \$1.9 million
- 5 Increased special maintenance for Kauai FY 06 \$1.5 million

Harbors

- 1 Converted 12 CIP project funded positions to Operating budget, FY 06; FY 07 \$1 million
- 2 Increased Debt service FY 06 \$2.0 million; FY 07 \$2.1 million for proposed \$60 million bond

Department of Transportation
(Capital Improvements Budget)

	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:		
Special Funds	42,291,000	49,170,000
General Obligation Bonds	40,000,000	
Revenue Bonds	49,676,000	97,031,000
Federal Funds	176,764,000	215,414,000
Other	47,826,000	
Total Requirements	<u>356,557,000</u>	<u>361,615,000</u>

Highlights of the Executive CIP Budget Request:

Airports

1. Provided \$8.9 million in PFC funds, \$0.4 million in special funds and \$1.3 million in federal funds in FY 06 for HIA flight and public address system integration
2. Provided \$8.6 million in PFC funds, \$0.4 million in special funds and \$1.3 million in federal funds in FY 06 for Kahului Airport improvements to meet FAA requirements

Harbors

1. Provided \$45 million in revenue bond funds in FY 07 for New Hilo Barge Terminal
2. Provided \$40 million in general obligation bond funds in FY 06 for interisland ferry terminal improvements, statewide

Highways

1. Provided \$5 million in revenue bond funds and \$20 million in federal funds in FY 06 to replace Wainiha Bridges, Kauai
2. Provided \$2 million in revenue bond funds and \$8 million in federal funds in FY 06 for Hawaii Belt Road rockfall protection
3. Provided \$1.75 million in revenue bond funds and \$7.2 million in federal funds in FY 07 for Honapiilani Highway Widening, Maui
4. Provided \$4.7 million in revenue bond funds, \$3 million in impact fee special funds and \$30.8 million in federal funds in FY 06 for North South Road, Oahu
5. Provided \$1,000 in revenue bond funds, \$29.999 million federal funds in FY 06; \$1,000 in revenue bond funds, \$7.999 million federal funds in FY 07 for Saddle Road Improvements (widening and or realigning existing two lane road)
6. Provided \$6.3 million in revenue bond funds, \$25.2 million in federal funds in FY 07 for Kaumualii Highway Improvements, Lihue to West of Maluhia Road, Kauai

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UNIVERSITY OF HAWAII MAJOR FUNCTIONS

- Provides instruction, research and public service in the fields of the liberal arts and sciences, agriculture, professional education, medicine, law, health sciences, business administration, engineering sciences and such other branches of the higher learning as the Board of Regents prescribes.
- Administers and operates a system of community colleges; coordinates academic programs which include college transfer, general education, vocational, technical, semi-professional, and continuing education programs; coordinates community service programs with the various campuses, community agencies and groups; and coordinates student-related programs and services.
- Operates a summer session which gives variety and flexibility to the instructional programs of the University; provides college-level instruction to students who wish to obtain it during the summer; accommodates teaching institutes, workshops, and special courses with schedules of varying lengths; sponsors lecture series and other cultural events during the summer and supervises overseas study tours offered for credit
- Provides key personnel in the government policy-making process with timely research, analyses and data concerning governmental and related problems to enable them to make informed decisions among alternative courses of action
- Participates in intercollegiate athletics programs for men and women; contributes toward the availability of non-academic cultural, social, recreational and intellectual programs made available to the students, faculty and community at large; and provides a limited intercollegiate program for a variety of minor sports

MAJOR PROGRAM AREAS

The University of Hawaii has programs in the following major program areas:

Formal Education

UOH 100 University of Hawaii, Manoa
UOH 210 University of Hawaii, Hilo
UOH 220 Small Business Development
UOH 700 University of Hawaii, West Oahu

UOH 800 University of Hawaii, Community Colleges
UOH 900 University of Hawaii, Systemwide Support

Culture and Recreation

UOH 881 Aquaria

UNIVERSITY OF HAWAII

Department Summary

Mission Statement

To serve the public by creating, preserving, and transmitting knowledge in a multi-cultural environment.

Department Goals

To achieve educational effectiveness and student success; provide a learning, research, and service network; be a model local, regional, and global university; maximize investment in faculty, staff, students, and their environment; and provide resources and stewardship.

Significant Measures of Effectiveness

1. Percentage of degrees granted to freshman four years ago
2. Percentage of graduates entering UH graduate schools
3. Course completion ratio of undergraduates

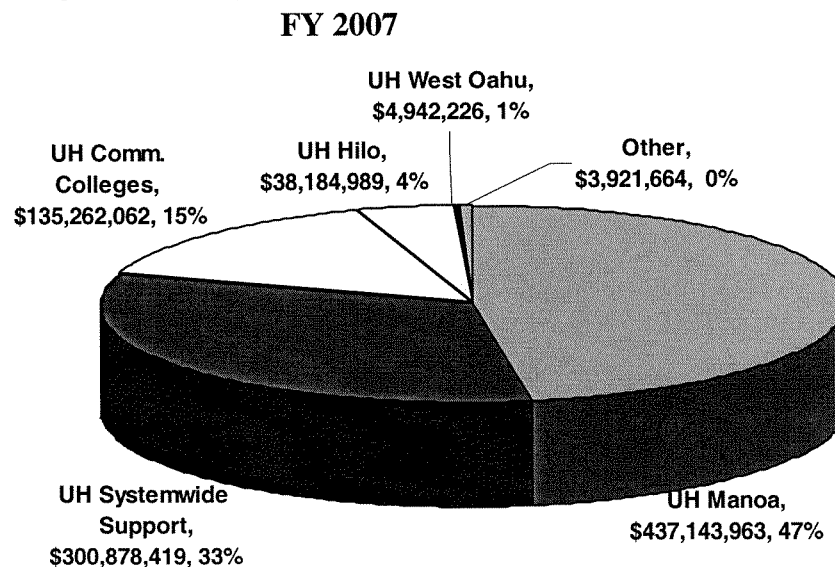
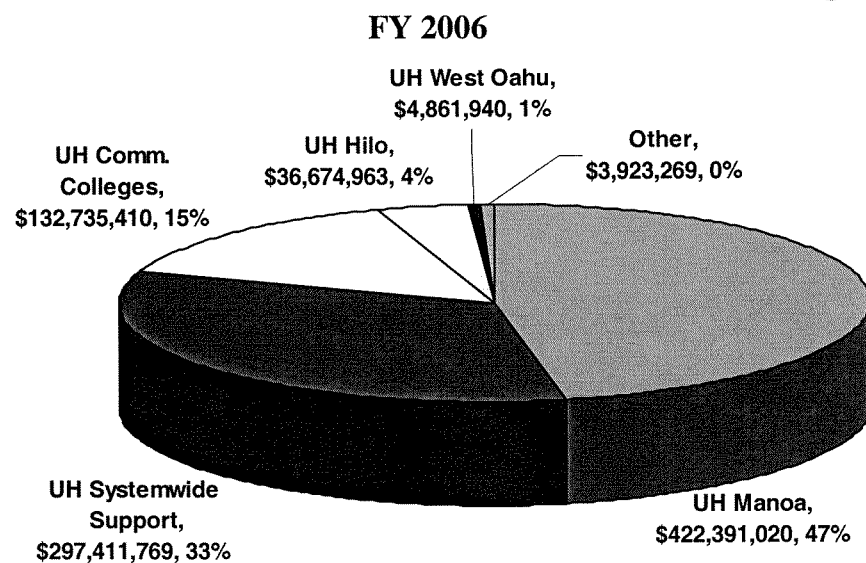
FY 2006 FY 2007

74 74

17 17

96 96

FB 2005-2007 Budget by Major Activity



University of Hawaii
(Operating Budget)

		<u>FY 2005 Allocation</u>	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:	Positions	5,762.34	5,764.34	5,764.34
General Funds	\$	485,287,777	579,306,515	590,370,291
		182.25	185.25	185.25
Special Funds		134,968,251	142,665,044	154,372,995
		97.66	97.66	97.66
Federal Funds		10,362,677	10,085,730	10,085,730
		323.75	369.75	374.75
Revolving Funds		147,292,736	165,941,082	165,504,307
		6,366.00	6,417.00	6,422.00
Total Requirements		<u>777,911,441</u>	<u>897,998,371</u>	<u>920,333,323</u>

Highlights of the Executive Biennium Budget Request:

1. Provided \$10.0 million in FY 06 and \$15.0 million in FY 07 in general funds as lump sum support for the priorities of the University of Hawaii.
2. Provided \$20.0 million in FY 06 in general funds to start up a scholarship and financial assistance program for qualified students systemwide, as authorized by Act 138, SLH 2004.
3. Provided \$140.3 million in FY 06 and \$148.6 million in FY 07 (increases of \$26.4 million & \$34.8 million, respectively over FY 05) in general funds for fringe benefits.
4. Provided \$73.8 million in FY 06 and \$83.0 million in in FY 07 (increases of \$28.4 million & \$37.6 million respectively over FY 05) in general funds for adjustment for debt service.
5. Increased the Tuition & Fees special fund ceiling by \$7.5 million in FY 06 and \$17.0 million in FY 07 due to expanding enrollment and tuition increases.
6. Increased the Research & Training revolving fund ceiling by \$18.2 million in FY 06 and \$17.7 million in FY 07 to support the infrastructure demands on all campuses.

University of Hawaii
(Capital Improvements Budget)

	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:		
General Obligation bonds	50,000,000	50,000,000
Federal Funds	3,003,000	
Revolving Funds	32,000,000	20,000,000
Private Contributions	14,003,000	
Total Requirements	<u>99,006,000</u>	<u>70,000,000</u>

Highlights of the Executive CIP Budget Request:

1. Provided general obligation bond funds of \$48 million in FY 06 and \$38 million in FY 07 and revolving funds of \$20,000,000 in each year for major repairs, infrastructure improvements and health and safety projects of University facilities, statewide.
2. Provided general obligation bond funds of \$2 million in FY 06 and \$18 million in FY 07 for the Hawaiian Language Building at the Hilo campus.
3. Provided \$3 million in federal funds and \$14 million in private contributions in FY 06 for the development of a culinary facility at the former Cannon Club site.
4. Provided \$12 million in revolving funds for construction and equipment costs in FY 06 for the John A. Burns School of Medicine.